

FISCAL STABILITY AND RESERVE FOR ECONOMIC UNCERTAINTIES

Reserve funds are an important solvency safeguard. Examples of needs for the Reserve for Economic Uncertainties are revenue shortfalls, unexpected repairs, and enrollment declines.

The 2009-2010 Final Budget includes a reserve of 7.5% of unrestricted funds.

BASIC AID STATUS

A “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 apportionment. The District began its status as a basic aid district in the 1999-2000 fiscal year and has received basic aid funds as follows:

<u>Year</u>	<u>Basic Aid Receipts</u>
1999 – 2000	\$ 5,676,800
2000 – 2001	\$ 9,192,300
2001 – 2002	\$ 13,719,277
2002 – 2003	\$ 18,419,919
2003 – 2004	\$ 27,356,952
2004 – 2005	\$ 40,162,878
2005 – 2006	\$ 46,899,203
2006 – 2007	\$ 52,896,017
2007 – 2008	\$ 50,692,873
2008 – 2009	\$ 51,179,365

The District estimates that receipts for 2009-2010 and future years to be as follows:

<u>Year</u>	<u>Basic Aid Receipts</u>
2009 - 2010	\$33,827,968
2010 - 2011	\$29,906,938
2011 - 2012	\$28,731,559
2012 - 2013	\$27,520,272
2013 - 2014	\$26,247,312

The assumptions used to estimate basic aid funds in future years are, for the 2009-2010 fiscal year, SB361 funding COLA is estimated at 0%, growth at 0% and enrollments fees at \$26 per unit. For 2010-2011, SB361 COLA is estimated to be 0% with growth equal to 1%. The following three years apportionment COLA is estimated at 2% and growth is estimated at 1%.

For the 2009-2010 fiscal year, secured taxes are estimated to decrease 2%. Secured taxes are estimated to decrease again in 2010-2011 by 7%. For each of the following three years, secured taxes are estimated to increase 2% and unsecured; homeowners and supplemental taxes are estimated to remain constant.

The schedule below shows basic aid funds and projects that are included in the 2009-2010 fiscal year Final Budget:

2009-2010 FISCAL YEAR	
Balance at July 1, 2009	\$ 4,129,002
Receipts 2009-2010 Fiscal Year	\$ 33,827,968
Total Available 2009-2010 Fiscal Year	<u>\$ 37,956,970</u>
BUDGETED PROJECTS	
2009-2010 Retiree Benefit Expenses	\$ 2,500,000
Legislative Advocacy	\$ 60,000
Funding for Future Building Projects	\$ 29,896,970
ATEP Development	\$ 1,000,000
ATEP Negotiations	\$ 2,000,000
ATEP – Operating Budget	\$ 2,500,000
TOTAL APPROVED AND BUDGETED PROJECTS	<u>\$ 37,956,970</u>

The following projects were previously approved by the Board of Trustees and are in various stages of completion:

Special Trustee Election	\$ 981,697
College Retiree Benefit Liability Contribution	\$ 27,417,938
College/District Contributions for Debt Retirement	\$ 4,380,701
Scheduled Maintenance Project	\$ 5,000,000
Allocation for Salary Schedule Restructure	\$ 4,245,000
Technology Needs for IVC, SC & District	\$ 19,367,618
ATEP – Operating Budget	\$ 9,203,957
ATEP - Utilities	\$ 1,000,000
ATEP - Negotiations	\$ 4,750,000
ATEP – Demolition	\$ 7,000,000
ATEP - Staffing, Equipment and Program Development	\$ 4,000,000
ATEP – Development	\$ 3,750,000
ATEP – Renovation	\$ 15,034,576
ATEP – Parking Lot Renovation	\$ 950,000
Certificate of Participation Debt Retirement	\$ 34,400,000
Campus Appearance	\$ 1,000,000
College Science Equipment & TV Studio Updates	\$ 1,000,000
College Sports Facilities	\$ 1,713,310
College Instructional Equipment Allocation	\$ 1,392,000
IVC – Business & Technology Innovation Center	\$ 12,882,000
IVC – Design and Install Entrance from Barranca	\$ 2,850,000
IVC – Floor Repairs	\$ 58,340
IVC – Life Sciences Project	\$ 9,930,800
IVC – Lot Expansion and Phase 1 of Lot 6	\$ 1,476,759
IVC – Maintenance and Police Facility	\$ 4,575,000
IVC – Modular Building	\$ 370,000
IVC – Modular Building Replacement (CEC)	\$ 197,402
IVC – Landscaping (PAC & BSTIC)	\$ 1,250,000

IVC – Performing Arts Center	\$ 17,180,000
IVC – A300 Remodel	\$ 2,481,000
IVC – Utility Service	\$ 416,000
IVC – Remove/Relocate Police/Maintenance & A500	\$ 514,000
IVC – Science Lab Addition and Remodel	\$ 6,980,000
IVC - Early College Program	\$ 60,000
IVC – Fine Arts Building	\$ 4,652,000
SC – Building Repairs-Math, Science Engineering Building Soil & Slab Repairs	\$ 2,337,000
SC – Plaza Repairs-Math, Science Engineering Building	\$ 5,081,000
SC – Building Repairs-TAS Building	\$ 1,956,000
SC – Building Repairs-Library Remodel	\$ 20,141,000
SC – Demolition of Lower Campus Buildings	\$ 1,719,000
SC – Golf Driving Range Net Replacement	\$ 300,000
SC – Health Science/District Office Building	\$ 15,251,655
SC – Hire Consultant for Parking/Traffic Study	\$ 48,500
SC – McKinney Theater Lighting and Sound Systems Upgrade	\$ 1,335,000
SC – Mold Abatement and Air Quality Improvements	\$ 9,006,000
SC – New Sciences Building	\$ 3,742,000
SC – Science/Applied Science Building	\$ 14,850
SC – McKinney Theater Restroom Remodel	\$ 2,542,000
SC – Temporary Classroom Facilities	\$ 7,269,285
SC – Demolition and Upper Quad Remodel	\$ 1,000,000
SC – Village Remodel	\$ 4,130,000
SC – Loop Road	\$ 3,442,000
SC – M/S/E/ Renovation	\$ 2,608,344
SC – Village Expansion	\$ 3,942,000
SOCCCD – Additional 1% Contingency	\$ 1,278,101
SOCCCD – District Wide Telephone System	\$ 4,499,498
SOCCCD – Student Information System Upgrade – Phase I	\$14,102,260
SOCCCD – Replace Human Resources and Budget Development Systems	\$ 897,740
SOCCCD – Fiscal and HR Systems Replacement	\$ 27,500
SOCCCD – Hire Consultant for District Education and Facilities Master Plan	\$ 370,010
SOCCCD – HR Recruitment Work Plan	\$ 85,911
SOCCCD – Legislative Advocacy Services – Basic Aid	\$ 210,000
SOCCCD – Enrollment Management Marketing, Outreach and Recruitment Efforts	\$ 329,830
TOTAL PROJECTS FUNDED WITH BASIC AID FUNDS	<u>\$320,126,582</u>

SUMMARY OF GENERAL FUND BUDGET ALLOCATIONS

	* Unrestricted	*Restricted	Total
Saddleback College	\$ 88,312,150	\$15,541,112	\$103,853,262
Irvine Valley College	\$ 45,514,763	\$ 6,617,370	\$ 52,132,133
ATEP	\$ 6,977,425	\$ 179,464	\$ 7,156,889
District Services	\$ 15,549,449	\$ 333,248	\$ 15,882,697
General Expense	\$ 3,069,020		\$ 3,069,020
Part-Time Faculty Parity Funds		\$ 683,475	\$ 683,475
Retirement Benefits	\$ 2,500,000		\$ 2,500,000
Basic Aid Funds for Capital Outlay			
Projects	\$ 28,767,968		\$ 28,767,968
Other Basic Aid Expenses	\$ 73,646		\$ 73,646
Reserves for Economic Uncertainties	\$ 10,446,173		\$ 10,446,173
TOTALS	<u>\$ 201,210,594</u>	<u>\$ 23,354,669</u>	<u>\$224,565,263</u>

* See pages 18 through 21 (Total of Revenue and Ending Balance for each budget location)

OTHER FUNDS

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

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 primary mission of the District. The activities of these programs at Irvine Valley College are accounted for in Fund #07 and at Saddleback College in Fund #09.

Child Development Fund (Fund #12)

The District operates child development programs at both colleges for the benefit of children aged 2-1/2 to 5 years. Services are provided to students and the community on a fee basis. Irvine Valley College provides \$234,000 of support from the unrestricted general fund, and Saddleback College provides \$250,000. The child development program is not charged for administration or operations.

Capital Outlay Projects Fund (Fund #40)

The District maintains the capital outlay projects fund to account for the expenditures of capital outlay and scheduled maintenance projects. This fund is further divided by funding sources; i.e., state apportionment for new construction, state scheduled maintenance, state hazardous materials, Americans with Disabilities Act, and district funded projects. On the following page is a schedule of planned projects.