PALOMAR COLLEGE

BUDGET COMMITTEE

FISCAL UPDATE
FY 2014-15, 2015-16 & 2016-17

FUND BALANCE HISTORY

** projected with SRP Savings of $3.3M

Stability Funding

- 3-year Process
- Occurs when a district does not attain its base FTES in any given year
- 1st year – funded as though the district reached its base
- 2nd and 3rd years apportionment will be based upon actual FTES
- After the 3rd year, the district will be re-benched to its actual FTES

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Large College Designation/Funding

- Occurs when a district does not attain the large college CAP in any given year
- Difference between large and medium designation
  - Approx. $1M
- The District will keep large college funding for a total of 3 years
- After the 3rd year, district will be funded for their actual size (large, medium, small)

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FY 2016-17 FTES PLANNING

FY 2016-17	FTES
Base FTES Target	17,500
FY 2015-16 Base FTES	19,629
Difference	(2,129)
Revenue Impact	(10,103,810)

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Projected Fund Balance

FY 2015-16 Ending Fund Balance (CCFS 311 - Second Quarter)	11,406,921
FY 2014-15 Recalculation	1,432,675
FY 2015-16 Revised Base FTES	1,444,853
Projected FY 2015-16 EFB	14,284,449
FY 2016-17 Apportionment Reduction (17,500 FTES)	(10,103,810)
Revised Beginning Fund Balance	4,180,639
Mandated Block Grant - One Time	10,692,772

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CALIFORNIA COMMUNITY COLLEGES
2015-16 ADVANCE PRINCIPAL APPORTIONMENT
PALOMAR COMMUNITY COLLEGE DISTRICT

September Revision

EXHIBIT C

Workload measures:	Base Funding	Marginal Funding	Base FTES	Growth FTES	Restored FTES	Stability FTES	Total Funded FTES	Unfunded FTES	Actual FTES
Credit FTES	4,675 903034	4,723 597254	18,537.930	328 628	0.000	0.000	18,866.558	0.000	18,866 558
Noncredit FTES	2,811 752093	2,840 431965	281.370	4 988	0.000	0 000	286.358	0.000	286 358
Noncredit - CDCP FTES	4,675.903043	4,723 597254	501.110	6.290	0.000	0 000	507.400	0.000	507 400
Total FTES:			19,320 410	339 906	0.000	0.000	19,660 316	0.000	19,660 316

I Base Revenues +/- Restore or Decline

A Basic Allocation		$6,604,740
B Basic FTES Revenue Before Workload Reduction	$89,615,648	
C Workload Reduction	$0 00	
D Revised Base FTES Revenue		$89,815,848
1 Credit Base Revenue	$86,681,563	
2 Noncredit Base Revenue	$791,143	
3 Career Development College NonCr	$2,343,142	
E Current Year Decline		$0
Total Base Revenue Less Decline		$96,620,588

II Inflation Adjustment

A Statewide Inflation Adjustment	1.02%	
B Inflation Adjustment	$985,530	
C Current Year Base Revenue + Inflation Adjustment		$97,606,118

III Basic Allocation & Restoration

A Basic Allocation Adjustment	$0
B Basic Allocation Adjustment COLA	$0
C Stability Restoration	$0
D Restoration of 11-12 Workload Reduction	$0
Total Basic Allocation & Restoration	$0

IV Growth

A Unconstrained Growth Rate	1 65%	
B Constrained Growth Rate	1.61%	
C Constrained Growth Cap	$1,596,185	
D Actual Growth	$1,596,185	
E Funded Credit Growth Revenue	$1,552,307	
F Funded Noncredit Growth Revenue	$14,168	
G Funded Noncredit CDCP Growth Revenue	$29,710	
Total Growth Revenue		$1,596,185

V Other Revenue Adjustments

A Misc. Revenue Adjustments	$0
B Full-Time Faculty Hiring	$1,031,876
C. Base Increase	$4,585,058
Total Revenue Adjustments	$5,616,934

VI Stability Adjustment

VI Stability Adjustment	$0

VII Total Computational Revenue
(sum of II, III, IV, V, & VI)

VII Total Computational Revenue (sum of II, III, IV, V, & VI)	$104,819,237

VIII District Revenue Source

A1 Property Taxes		$67,480,498
A2 Less Property Taxes Excess		$0
B Student Enrollment Fees		$9,334,410
C State General Apportionment		$11,845,032
D Estimated EPA		$15,542,474
Available Revenue		$104,202,414
E Revenue Shortfall	0.9941153645	$616,823
Total Revenue Plus Shortfall		$104,819,237

IX Other Allowances and Total Apportionments

A State General Apportionment	$11,845,032
B Statewide Average Replacement Cost	$73,057
Number of Faculty Not Hired	0.00
Full-time Faculty Adjustment	$0
Net State General Apportionment	$11,845,032

X Unrestored Decline as of July 1st of Current Year

A 1st Year	$0
B 2nd Year	$0
C 3rd Year	$0
Total	$0

Basic Allocation Calculation Before Current Year COLA
College/Center Base Funding Rates (Current Year FTES Thresholds):

Single College District Funding Rates: Total FTES			Multi-College District Funding Rate: Total FTES				
> 19,880	> 9,940	<= 9,940	Rural	> 19,880	> 9,940	<= 9,940	
$5,670,617	$4,536,493	$3,402,370	$567,062	$4,536,493	$3,969,432	$3,402,370	
FTES:							Total Colleges
1	0	0	0	0	0	0	1
Revenue:							Total Colleges Rev.
$5,670,617	$0	$0	$0	$0	$0	$0	$5,670,617

State Approved Center: Funding Rates		Total State Approved Centers	Total State Approved Centers Revenue
1	$1,134,123	1	$1,134,123

Grandfathered or Previously Approved Center: Funding Rates @ FTES Levels

> 994	> 746	> 497	> 249	<= 100	Total Grandfathered or Previously Approved Centers	Total Basic Allocation Revenue
$1,134,123	$850,592	$567,062	$283,531	$141,765		
Number of Grandfathered or Previously Approved Centers: @ Total FTES						
0	0	0	0	0	0	$6,604,740
Grandfathered or Previously Approved Center Revenue:					Total Grandfathered or Approved Center	
$0	$0	$0	$0	$0	$0	

Second Quarter 2015-2016 Expenditures
(Fund 11 Unrestricted Including Designated)

	2015-16 Current Budget	2015-16 Second Quarter Actuals	2015-16 % of Budget Expensed to Date	2014-15 Second Quarter Actuals	Net Change
1000 Academic Salaries	$ 44,364,217	$ 21,343,159	48%	$ 23,056,207	$(1,713,048)
2000 Classified Salaries	20,157,664	10,947,233	54%	11,704,193	(756,960)
3000 Benefits	24,371,755	12,323,115	51%	11,904,216	418,899
4000 Supplies & Materials	1,013,679	390,649	39%	297,279	93,370
5000 Other Operating Expenses	9,504,400	4,221,914	44%	4,286,431	(64,517)
6000 Capital Outlay*	189,143	201,572	107%	219,292	(17,720)
7000 Other Outgoing	10,591,040	469,800	4%	4,108,909	(3,639,109)
Subtotal:	$ 110,191,898	$ 49,897,442	45%	$ 55,576,527	$ (5,679,085)
7900 Reserves (Projected Ending Balance):	11,406,921				
Percentage of fund balance to GF expenditures (projected)	10.4%				
Grand Total:	$ 121,598,819				

Palomar College

*All Fund 11 Unrestricted Capital Outlay expenditures will be moved to Fund 41 at year-end

SSC Community College Financial Projection Dartboard
2016-17 Governor's Proposed State Budget

This version of SSC's Financial Projection Dartboard is based on the 2016-17 Governor's Proposed State Budget. We have also updated the cost-of-living adjustment (COLA), consumer price index (CPI), and ten-year T- bill planning factors to reflect economic forecasts. We rely on various state agencies and outside sources in developing these factors, but we assume responsibility for them with the understanding that they are, at best, general guidelines.

Factor		2015-16	2016-17	2017-18	2018-19	2019-20
Statutory COLA for Apportionments		1.02%	0.47%	2.13%	2.65%	2.72%
Base Allocation Increase		$266.7 million	—	—	—	—
Growth/Restoration Funding		**3% ($156.5 million)**	**2% ($114.7 million)**	**Ongoing**	**Ongoing**	**Ongoing**
Increased CDCP Rate		$49 million	Ongoing	Ongoing	Ongoing	Ongoing
State Categorical Programs		$1.2 billion	$709.8[1] million	Ongoing (except for one-time funds)	Ongoing (except for one-time funds)	Ongoing (except for one-time funds)
California CPI		1.90%	2.22%	2.52%	2.62%	2.52%
California Lottery[2]	Base	$140	$140	$140	$140	$140
	Proposition 20	$41	$41	$41	$41	$41
CalPERS Employer Rate		11.847%	13.05%	16.60%[3]	18.20%[3]	19.90%[3]
CalSTRS Employer Rate		10.73%	12.58%	14.43%	16.28%	18.13%
Interest Rate for 10-Year Treasuries		2.21%	2.40%	2.75%	2.80%	2.70%

[1] This total does not include grant or pilot programs. The 2016-17 State Budget includes the following additional programmatic funding sources:

- $289.5 million for deferred maintenance or instructional equipment, with no match requirement (one-time funds)
- $200 million for the Strong Workforce Program
- $76 million in one-time funds to pay down prior-year state mandate claims (these will be unrestricted funds allocated on a per-FTES basis)
- $48 million for the Career Technical Education Pathways Program
- $45.2 million for Proposition 39 energy efficiency program grants
- $30 million for the Basic Skills and Student Outcomes Transformation Program
- $10 million for the Institutional Effectiveness Partnership Initiative
- $5 million for zero-cash degree, certificate, and credential programs (one-time)
- $3 million for the Telecommunications and Technology Infrastructure Program
- $1.8 million for Apprenticeship to reflect the estimated non-credit rate
- $1.3 million to fund the 0.47% COLA for Disabled Student Programs and Services, Extended Opportunity Programs and Services, California Work Opportunity and Responsibility to Kids, and Child Care Tax Bailout programs

[2] The forecast for Lottery funding per FTES includes both base (unrestricted) funding and the amount restricted by Proposition 20 for instructional materials. Lottery funding is initially based on prior year actual annual FTES, and is ultimately based on current-year annual FTES. Starting in 2015-16, K-12 Adult and ROC/P ADA will no longer earn Lottery funding, so the per-FTES estimates will increase; revised estimates are not yet available.
[3] CalPERS provided these estimates in 2014 and has not yet issued revised estimates.

The COMMUNITY COLLEGE UPDATE

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Title and Summary Issued for Successor to Proposition 30

Late Thursday, February 4, 2016, Attorney General Kamala G. Harris issued the title and summary for the California Children's Education and Health Care Protection Act, the successor to the soon-to-expire Proposition 30.

The new initiative, a collaborative effort between the California Teachers Association and the California Hospitals Association, would continue the higher income tax rates for high-income earners to fund K-14 education and children's health programs through 2031.

With the title and summary completed, initiative proponents are expected to begin collecting signatures from registered voters in order to qualify the initiative for the November 2016 ballot. As a constitutional amendment, the minimum number of signatures needed is 585,407.

Though proponents technically have 180 days, or until early August, to collect the requisite signatures, they are aiming to complete their signature drive in late April or early May to give the local registrars ample time to verify the signatures.

—***Dave Heckler***

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