



FISCAL SERVICES BUDGET DEVELOPMENT TIMETABLE FOR FISCAL YEAR 2017-2018

January 6, 2017	Governor expected to roll out 2017-18 Proposed Budget.
February 14, 2017	Budget Committee (BC) begins budget review.
February 15, 2017	Divisional Planning Councils begin budget development process for Divisions.
March 10, 2017	Budget requirements, in accordance with the Resource Allocation Model (RAM) and Integrated Planning Model (IPM), are due to Fiscal Services for input into PeopleSoft Financials.
March 10, 2017	Designated and Restricted budget development forms due to Fiscal Services for input into PeopleSoft Financials. Proposed budgets are acceptable. Attach grant letter, if applicable.
March 10, 2017	Fiscal Services will project available resources in accordance with the RAM. Fiscal Services will project all salaries with grade/step impacts (including benefits) and fixed non-discretionary costs in accordance with the RAM based upon targeted FTES. All other discretionary budgets will be input from Divisional PRP's, Strategic, and Master planning documents.
April 11, 2017	BC finalizes budget review.
April 18, 2017	SPC begins budget review.
May 2, 2017	SPC finalizes budget review.
June 6, 2017	Tentative Budget finalized and printed for Governing Board approval.
June 13, 2017	Tentative Budget presented to Governing Board for approval.
July 7, 2017	Restricted (final) budgets submitted to Fiscal Services.
August 11, 2017	Fiscal Services finalizes revisions to Adopted Budget .
Sept.4-Sept.8, 2017	Proposed Adopted Budget available for Public Inspection.
Sept. 12, 2017	Proposed Adopted Budget presented to Governing Board. Governing Board holds public hearing on proposed Adopted Budget .

SSC Community College Financial Projection Dartboard 2017-18 Governor's Proposed State Budget

This version of SSC's Financial Projection Dartboard is based on the 2017-18 Governor's Proposed State Budget. We have updated the cost-of-living adjustment (COLA), consumer price index (CPI), and ten-year T- bill planning factors to reflect the latest 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		2016-17	2017-18	2018-19	2019-20	2020-21
Statutory COLA for Apportionments		0.00%	1.48%	2.40%	2.53%	2.66%
Base Apportionment Increase		\$75 million	\$23.6 million	Ongoing	Ongoing	Ongoing
Growth/Restoration Funding		2% (\$126.9 million)	1.36% (\$79.3 million)	Ongoing	Ongoing	Ongoing
Increased CDCP Rate		Ongoing	Ongoing	Ongoing	Ongoing	Ongoing
State Categorical Programs		\$688.2 million	\$290.7 ¹ million	Ongoing (except for one-time funds)		
California CPI		2.37%	2.72%	2.92%	2.60%	2.73%
California Lottery ²	Base Proposition 20	\$144 \$45	\$144 \$45	\$144 \$45	\$144 \$45	\$144 \$45
CalPERS Employer Rate		13.888%	15.80%	18.70%	21.60%	24.90%
CalSTRS Employer Rate		12.58%	14.43%	16.28%	18.13%	19.10%
Interest Rate for 10-Year Treasuries		2.20%	2.50%	2.70%	2.90%	2.80%

¹ The 2017-18 Proposed State Budget includes the following additional programmatic funding sources:

- \$150 million for the Guided Pathways Program (one-time funds)
- \$43.7 million for deferred maintenance or instructional equipment, with no match requirement (one-time funds)
- \$52.3 million for Proposition 39 energy efficiency program grants (one-time funds)
- \$20 million for an Innovation Awards Program (one-time funds)
- \$10 million for the Online Education Initiative
- \$6 million for an Integrated Library System
- \$5.4 million to provide the 1.48% 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
- \$3.1 million for Full-Time Student Success Grant Program

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.

District Financial Summary

FY 2017-18 BUDGET OUTLOOK

GOVERNOR'S 2017-18 BUDGET

- The Governor's proposal provides for over \$400 million in Proposition 98 resources, of which approximately \$220 million are in one-time funds. The State General Fund is estimated to increase by approximately 3% in 2017-18. These resources present districts with an opportunity for strategic improvements in curriculum development, planning, and other measures to strengthen program outcomes
- Apportionments:
 - \$23.6 million for general operating expenses; the District is expecting a \$381,888 increase in unrestricted base funding
 - 1.48% Cost of Living Adjustment; the District estimates receiving \$1.4 million
- Significant increases in one-time and categorical program funding are expected. This allows the option of reducing general fund expenditures
 - \$150 million for implementation of Guided Pathways \$20 million for Innovation Awards Program (District allocations have yet to be released)
 - \$10 million for the Online Education Initiative to purchase a learning management system that will be free for the colleges
 - \$43.7 million for State schedules maintenance and instructional equipment program; the District estimates receiving \$2.5 million
 - \$52.3 million for energy efficiency projects; the District estimates receiving \$600,000
- Current enrollment trends suggest that enrollment will increase in the next three years, and the District will reach its FTES goal of 19,200 in 2017-18, with the ultimate FTES goal of 21,000 in 2018-19

District Financial Summary

MULTI-YEAR ANALYSIS – BUDGET ASSUMPTIONS

Budget Assumptions Factor			
	2016-17	2017-18	2018-19
Revenue Assumptions			
Target FTES	18,203	19,200	21,000
Statutory COLA for Apportionments	0.00%	1.48%	2.40%
Base Apportionment Increase	\$577K	\$381K	Ongoing
Growth/Restoration Funding			0.50%
Increased CDCP Rate	Ongoing	Ongoing	Ongoing
California Lottery - non Prop 20 (per FTES)	\$2,747,743	\$2,898,240	\$3,169,950
California Lottery - Prop 20 (per FTES)	\$866,827	\$914,304	\$1,000,020
Apportionment Revenue	\$99,574,174	\$104,631,931	\$107,267,368
State Categorical Programs	\$14mill	Ongoing except for one-time funds	Ongoing except for one-time funds
Health Fee (per student/primary term)	\$19	\$19	\$19
Health Fee (per student/summer term)	\$16	\$16	\$16
Bookstore Contract Services	\$500,000	\$500,000	\$500,000
Mandated Programs Block Grant	\$465,009	\$509,684	\$537,600
Mandated One Time Funds	\$10,692,772	\$1,529,373	TBD
Expenditure Assumptions			
CalPERS Employer Rate	13.89%	15.80%	18.70%
CalPERS Impact	\$621,332	\$479,818	\$438,814
CalSTRS Employer Rate	12.58%	14.43%	16.28%
CalSTRS Impact	\$815,633	\$837,032	\$784,232
Negotiated Settlements	3%	0%	0%
Salary Schedules	Step/Column	Step/Column	Step/Column
Health and Welfare-Contract (per FT employee)	\$28,126	\$28,970	\$29,839

PALOMAR COMMUNITY COLLEGE DISTRICT

ANNUAL FINANCIAL REPORT

JUNE 30, 2016

PALOMAR COMMUNITY COLLEGE DISTRICT

SUMMARY OF AUDITOR'S RESULTS FOR THE YEAR ENDED JUNE 30, 2016

FINANCIAL STATEMENTS

Type of auditor's report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified?	<u>None reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

Internal control over major Federal programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified?	<u>None reported</u>
Type of auditor's report issued on compliance for major Federal programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Section 200.516(a) of the Uniform Guidance?	<u>No</u>

Identification of major Federal programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
<u>84.063, 84.033, 84.007, 84.268</u>	<u>Student Financial Assistance Cluster</u>
<u>84.066A, 84.042A, 84.047A,</u>	
<u>84.044A</u>	<u>Trio Cluster</u>
<u>84.334A</u>	<u>Gear-Up</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 755,548</u>
Auditee qualified as low-risk auditee?	<u>No</u>

STATE AWARDS

Type of auditor's report issued on compliance for State programs:	<u>Unmodified</u>
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PALOMAR COMMUNITY COLLEGE DISTRICT

**FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2016**

None reported.

PALOMAR COMMUNITY COLLEGE DISTRICT

**FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016**

None reported.

PALOMAR COMMUNITY COLLEGE DISTRICT

MEASURE M GENERAL OBLIGATION BONDS
ELECTION 2006

FINANCIAL AND PERFORMANCE AUDITS

JUNE 30, 2016

**PALOMAR COMMUNITY COLLEGE DISTRICT
MEASURE M GENERAL OBLIGATION BOND FUND**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2016**

2016-001 CITIZENS' BOND OVERSIGHT COMMITTEE

Criteria or Specific Requirement

Pursuant to the Constitution and laws of the State of California, including the provisions of Chapter 1.5 of Part 10, Article 2, Section 15282 of the California *Education Code*, the Citizens' Oversight Committee shall consist of at least seven members to serve for a term of two years without compensation and for no more than two consecutive terms. While consisting of a minimum of at least seven members, the Citizens' Oversight Committee shall be comprised as follows:

1. One member shall be active in a business organization representing the business community located within the district.
2. One member shall be active in a senior citizens' organization.
3. One member shall be active in a bona fide taxpayers' organization.
4. For a school district, one member shall be the parent or guardian of a child enrolled in the district. For a community college district, one member shall be a student who is both currently enrolled in the community college district and active in a community college group, such as student government. The community college student member may, at the discretion of the board, serve up to six months after his or her graduation.
5. For a school district, one member shall be both a parent and guardian of a child enrolled in the district and active in a parent-teacher organization, such as the Parent Teacher Association or schoolsite council. For a community college district, one member shall be active in the support and organization of a community college or the community colleges of the district, such as a member of an advisory council or foundation.

In addition, no employee or official of the District shall be appointed to the Citizens' Oversight Committee. No vendor, contractor, or consultant of the District shall be appointed to the Citizens' Oversight Committee.

Condition

The District currently does not have the minimum required number of Citizens' Oversight Committee members. The District does not have an active member in a bona fide taxpayers' organization or a student who is both concurrently enrolled in the community college district and active in a community college group.

Recommendation

It is recommended that the Board of Trustees search for and appoint the required members to the Citizens' Oversight Committee to represent the noted constituencies as required by the California Constitution.

**PALOMAR COMMUNITY COLLEGE DISTRICT
MEASURE M GENERAL OBLIGATION BOND FUND**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2016**

Management's Response and Corrective Action Plan

The District is actively seeking volunteers to fill the vacancies of the Independent Citizens' Oversight Committee.

**PALOMAR COMMUNITY COLLEGE DISTRICT
MEASURE M GENERAL OBLIGATION BOND FUND**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2016**

There were no audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

MEMORANDUM

DATE: February 24, 2017

TO: All Administrators, Faculty, and Staff

FROM: Carmen Martinez-Coniglio, Director of Fiscal Services

SUBJECT: **FISCAL YEAR 2017 YEAR-END CLOSING SCHEDULE**

This memo highlights critical deadline dates and procedures which are necessary to ensure an orderly year-end closing process and to provide administrators, faculty, and staff adequate notice to plan for final transactions in the fiscal year 2017. Please take special notice of the information contained in this document, and share it with your staff and others that you deem appropriate.

Departments should begin reviewing their budgets, including payroll expenditures, operating expenditures, and encumbrances by accessing PeopleSoft Budget Overview or nVision reports. While many of you may be familiar with past practices, we ask that you review the information below as some may have changed this year.

Open Purchase Orders:

Automatically closed on Wednesday, July 12, 2017

Preliminary open P.O. reports will be provided to Division V.P.'s beginning March 6th.

Purchases initiated in fiscal year 2017 will be applied to 2017 budgets only to the extent that deliveries of goods and services are received by June 30, 2017.

Unfulfilled or incomplete purchase orders encumber or commit funds, which decrease your available budget. Please review all your open purchase orders and unencumber funds from P.O.'s that are not critical to the completion of fiscal year 2017. If the item has been received or service has been rendered, and the purchase order still has a remaining balance, contact David Rice at drice@palomar.edu to close the P.O. To reduce budget commitments associated with a P.O., contact Purchasing for assistance.

All fiscal year 2017 P.O.'s will be automatically closed on July 12, 2017.

Requisitions for fiscal year 2018 activity should be entered with a **July 1, 2017** accounting date to differentiate between fiscal years when the new budget year is open. Contact Purchasing for more information.

Purchase Order (P.O.) Rollovers

Wednesday, July 12, 2017

A limited number and certain types of purchase orders that will not be received or fulfilled by June 30, 2017 may be rolled over to fiscal year 2018. Fiscal Services will make final determination for all those P.O.'s requested to potentially be rolled over to the following year. Any intended P.O. rollovers must be received, in writing, no later than July 12, 2017, and be addressed to Sheri Wenzel at swenzel@palomar.edu.

Requisitions (Supplies, Equipment, & Services):

The deadlines for requisitions vary based on the type of purchase and funding source.

- **Computer equipment and software purchases:** Allow at least one week before each deadline to obtain I.S. approval.
- **Furniture purchases:** Allow at least four to six weeks lead time for the delivery and installation.
- **Requisitions (Amount Greater than Bid Limit \$88,300)** **Monday, April 3, 2017**
All funding sources: Requisitions for goods and services that require a public bid (greater than \$88,300) and requisitions for public works that require informal or formal public bid (greater than \$15,000) must have complete workflow approvals and ready for processing by Purchasing no later than April 3, 2017.
- **Requisitions (Unrestricted Fund/No Bid Required)** **Friday, April 28, 2017**
All requisitions, purchasing change requests for open P.O.'s, and service agreements for activity which should be processed against the fiscal year 2017 unrestricted fund source must have complete workflow approvals and ready for processing by Purchasing no later than April 28, 2017.
- **Requisitions (Restricted Fund/No Bid Required)** **Monday, May 15, 2017**
All requisitions, purchasing change requests for open P.O.'s, and service agreements for activity which should be processed against the fiscal year 2017 restricted fund source (i.e. Categorical Funds, State Scheduled Maintenance, Prop M funds, etc.) must have complete workflow approvals and ready for processing by Purchasing no later than May 15, 2017.

Invoices

By noon on Wednesday, July 12, 2017

Invoices for fiscal year 2017 purchases must be received by Accounts Payable for processing no later than 12 p.m. on July 12, 2017. **Goods and services must be received by June 30, 2017 in order to be paid.** If goods and services have been received, but your department has not received the invoice, please contact the vendor and request a copy of the invoice. Your expediency in handling invoices will help ensure payment in the proper fiscal year. Email invoices to AP@palomar.edu. All invoices must reflect and identify the corresponding purchase order number. Invoices received after this deadline will be charged against fiscal 2018 budget.

If an invoice covers goods or services that will be delivered both in fiscal years 2017 and 2018, General Accounting will reallocate the fiscal year 2018 portion to Prepaid Expense and post the expenditure to the appropriate year. Contact Sheri Wenzel at swenzel@palomar.edu for additional information.

CAL-Card Charges

June Statements Due: Tuesday, July 11, 2017

Fiscal year 2017 CAL-Card purchases may be made through June 22nd for goods and services as allowed under the CAL-Card policy. **No equipment, services, or personal expenses may be charged against a District CAL-Card.** Remember that charges made using CAL-Cards do not encumber funds and, if not tracked closely, can lead to overspent budget. Personal purchases, overspending budgets, and/or late submission of statements are considered to be a misuse and subject to revocation of CAL-Card privileges. June statements are due to Chris Wick (cwick@palomar.edu) by July 11, 2017.

Grants and Categorical Funds

Project managers must review their work plan in conjunction with the grant expenditures posted on Budget Overview. Late expenses may be charged to your fiscal year 2017 grant/categorically funded budgets if carryover of unused funds is allowed by the funding agency or if it is a federal grant with a September 30, 2017 end date. Otherwise, your division will be responsible for absorbing that cost within 2018 general fund budget. Notify Pai Wang-Smith (pwang-smith@palomar.edu) of any fiscal activities after the closing deadline dates outlined in this memo.

Facilities Work Requests

Friday, April 14, 2017

All Facilities work requests that are to be charged against fiscal year 2017 funds must be received by the Facilities Department no later than April 14, 2017. Emergency requests after the cut-off date must have written justification and approval by the Assistant Superintendent/Vice President, Finance and Administrative Services on the prescribed form.

Applications for Use of College Facilities

Friday, June 9, 2017

Pay Vouchers

By noon on Wednesday, July 12, 2017

Any requests for non-PO purchases relating to fiscal year 2017 must be received in Accounts Payable no later than 12:00 p.m. on July 12, 2017. **Pay Vouchers have a limit of \$1,000 and should not be submitted in lieu of purchase requisitions.** Purchases over \$1,000 must be processed through the regular purchasing guidelines (see deadlines for requisitions).

Employee Travel/Mileage Reimbursement

Friday, July 7, 2017

Claims for travel/mileage incurred during the fiscal year 2017 must be received in Accounts Payable no later than July 7, 2017. Claims received in Accounts Payable after July 7, 2017 will be charged against fiscal year 2018 budget.

Final Commercial Warrant Disbursement

Friday, July 14, 2017

Friday, July 14, 2017 will be the last check run for all fiscal year 2017 activity.

Cash/Checks Received**Upon Receipt**

All cash/checks collected are to be deposited upon receipt. All deposits must be received in Fiscal Services by June 29th to be recorded in fiscal year 2017.

Accounts Receivable**Friday, July 7, 2017**

Departments knowing of amounts owed to the College as of June 30, 2017, including all billings to invoiced, must send an email to Paty Reyes at preyes@palomar.edu detailing the amount owed, the name of the vendor, and the budget number which the revenue should be credited.

Payroll-related Information**Monday, July 3, 2017**

All hourly timesheets, Overtime and Extra Hours reports, and Absence reports through June 30, 2017 are due to Payroll on July 1, 2017.

Budget Adjustments**Friday, June 30, 2017**

Requests for budget adjustments must be received in the Budget Office no later than June 30, 2017 to be considered for processing in fiscal year 2017.

Revenue/Expense Transfers**Friday, June 30, 2017**

All revenues/expenditure transfers submitted to Accounting pertaining to fiscal year 2017 must be received no later than by June 30, 2017.

Unless otherwise noted in this memo, these dates represent final cut-off for financial activities and adjustments and will be strictly adhered to.

We understand a special situation may arise that requires an exception to an item in this document. When this occurs, please contact us as soon as possible in order to accommodate any necessary adjustments. A written justification must be received for the exception and approval from the following: (1) Director/Dean, (2) Assistant Superintendent/Vice President of the division, AND (3) Assistant Superintendent/Vice President, Finance and Administrative Services.

Palomar Community College District
 Finance and Administrative Services/Fiscal Services
 Fiscal Year 2017 Year-End Closing

IMPORTANT DATES SUMMARY

Action	Deadline
PURCHASING AND CONTRACTS SERVICES:	
Requisitions for goods and services requiring public bid (Amount over \$88,300)	Monday, April 03, 2017
Requisitions for public works requiring public bid (Amount over \$15,000)	Monday, April 03, 2017
Requisitions (Charged to Unrestricted Funds)	Friday, April 28, 2017
Requisitions (Charged to Restricted Funds)	Monday, May 15, 2017
June Cal-Card Statements to Chris Wick (Cal-Card charges after June 22, 2017 will be charged to FY 2018 budget)	Tuesday, July 11, 2017
All Open Purchase Orders (P.O.s) will be automatically closed	Wednesday, July 12, 2017
Requests for P.O. Rollovers	
Notify Sheri Wenzel, Accounting Manager, at swenzel@palomar.edu	Wednesday, July 12, 2017
FACILITIES SERVICES	
Work Requests (Emergencies with VP approval only after cut-off with written justification on form)	Friday, April 14, 2017
Applications for Use of College Facilities	Friday, June 09, 2017
FISCAL SERVICES	
Departmental Deposits (Cash/Checks/Credit Cards)	Upon Receipt
Revenue/Expense Adjustments	Friday, June 30, 2017
Budget Adjustments	Friday, June 30, 2017
Accounts Receivables/Billings to be Invoiced (Notify Paty Reyes at PREyes@palomar.edu)	Friday, July 07, 2017
Claims for Employee Travel/Mileage Reimbursements	Friday, July 07, 2017
Pay Vouchers (for non-PO goods and services)..... by 12:00 p.m.	Wednesday, July 12, 2017
Vendor Invoices for FY 2017 Purchase Orders..... by 12:00 p.m.	Wednesday, July 12, 2017
FY 2017 Final Check Run	Friday, July 14, 2017
PAYROLL:	
All Hourly Time Sheets through June 30, 2017	Monday, July 03, 2017
All Overtime and Extra Hours Reports	Monday, July 03, 2017
All Absence Reports	Monday, July 03, 2017

**Palomar Community College District
Finance and Administrative Services**

YEAR-END CLOSING DEADLINES FOR FY 2016-17

The table below summarizes the information provided on the year-end memo.

The cut-off dates indicated below will be STRICTLY ADHERED TO:

Action	Deadline
PURCHASING AND CONTRACTS SERVICES:	
Requisitions for goods and services requiring public bid (Amount over \$88,300)	Monday, April 03, 2017
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All Absence Reports	Monday, July 03, 2017