



BUDGET COMMITTEE

MINUTES

March 9, 2021

A meeting of the Budget Committee was held March 9, 2021 via Zoom. The meeting was called to order at 2:46 p.m. by Ambur Borth, Vice President of Finance and Administrative Services.

Roll Call

Members Present: Barbara Baer, Tricia Frady, Anel Gonzalez, Ambur Borth, Teresa Laughlin, Dr. Kendyl Magnuson, Fari Towfiq, David Montoya, Rocco Versaci, Molly Faulkner, Carmelino Cruz, Jenny Fererro, Dr. Vikash Lakhani, Dayna Schwab, Loran Green, Joel Glassman

Members Absent: G.Frederick, K.Deven, S.Sivert

Recorder: Heather Sutton

Guests: Ken Stoppenbrink, Brandi Taveuveu, Pai Wang-Smith, Robert Threatt, Susan Garland

I. Approval of Minutes

The minutes from the February 23, 2021 meeting were approved.

II. Budget Assumptions

VP Borth presented on budget assumptions and the information and recommendations from School Services of California. VP Borth spoke to the changes that occurred from the P1 Report, and that the state does not always fully fund the college. Community college funding is based on the availability of state revenues. VP Borth spoke to the February 28th P1 Report, and that the state is estimating a shortfall, and has applied a deficit factor of 2.3826% - the deficit factor that was applied at the adopted budget was .85, the difference between the two is Palomar had a \$963k deficit and now with the change it is over \$2million. VP Borth continue to walk through the impact to 2019/20 and how it relates to the current year, and moving forward. T.Laughlin commented on the slides and the impact of P1 and P2 and the respective deficit factors. VP Borth continued to present several scenarios to include the COLA changes suggested by School Services of California. Scenario One went through the percentage of enrollment growth for 20/21 through 24/25 from 5% to 7% respectively. Additionally, the Cost of Living adjustment from 0.00% to 1.90% within the same years. Funding SCFF is \$112million projected for 20/21 with an assumption of \$116.8million in 21/22, \$118.3million in 22/23, \$120million for 23/24, and for 24/26 an assumption of \$113.7million for Scenario One. Center Status Funding remains at zero through each year. Apportionment Revenue/SCFF in 20/21 is projected at \$112million, and ends in 24/25 at \$117.2million with a total revenue ending at \$135.8million in 24/24. T.Laughlin spoke to Fund 69, and possibly using that for healthcare and benefits. VP Borth will research Fund 79. Guest and FCMAT Representative Ken Stoppenbrink spoke to whether there was a concern from OPEB, and the overhead liability of what is funded. VP Borth moved to present Scenario Two which incorporated FCMAT recommendations with all other items remaining the same. T.Laughlin asked about the projection from FCMAT recommendation that there will be a 1.5% COLA for 21/22, and then for the next three years the COLA is at 0%. VP Borth explained that it is a literal translation from FCMAT that COLA should be removed from Multi-Year Projections. J.Fererro asked about the benefit of this scenario versus scenario one with regards to COLA. Ken Stoppenbrink recommended that Palomar speak to FCMAT about the 0% COLA

recommendation and the reasoning behind it. A.Gonzalez spoke to Scenario 2 and how the district would need to take that to bargaining due to contracts. VP Borth addressed the concerns saying that FMCAT and School Services differs on their opinions and one scenario follows FCMAT recommendations, and the second follows School Services. D.Montoya stated that these discussions are Palomar's move to be transparent and to give the committee a full report of the recommendations even if they are preliminary ones. A.Borth finished the conversation with questions and answers and committing to getting additional information about Fund 69 and/or 79.

III. Budget Development

VP Borth spoke to the prior year and having various groups to assist working through Budget Development, and her interest in continuing this process moving forward. T.Laughlin suggested a budget assumption to include a overload class costs and part time instruction class costs, similar to what Yulian Ligioso did in the prior year. J.Fererro asked about fixed costs and asked for clarification about the doubling of those costs, when they are shared costs. VP Borth shared the document for FCMAT Fiscal Alert for Community Colleges and the details within, speaking to the 50% law.

IV. Other

No items were presented.

V. Adjournment

There being no further business, the meeting was adjourned at 3:49PM

