

Tentative Budget

June 2025

PALOMAR *MAKES IT POSSIBLE.*



What is the Tentative Budget?

Provides funding for the first two months of the new fiscal year (July and August)

Palomar's first exposure to the **actual costs** for the 2025/26 fiscal year

Gives the Board four months to consider changes before Sept. Final Budget

Governor's May Revised Budget

Updates the Governor's January Budget

State Budget Finalized/Enacted End of June

Final Budget Changes Reflected in September's Adopted Budget

PALOMAR *MAKES IT POSSIBLE.*



May Revised Budget -State Overview:

- **Estimated state budget deficit of \$12 billion** rather than the roughly balanced budget expected in January. The deficit addressed thru program reductions, revenues and borrowing, and fund shifts.
- **COLA 2.30%, down from 2.43%.** State providing COLA, but Palomar not eligible because we are “hold harmless” funded in 2025/26. However, some categorical programs will receive COLA adjustments.
- **Eliminates** one-time funding previously proposed for the Statewide Technology Transformation, and reduces the funding proposed for the establishment of a Systemwide Common Data Platform, scaling up Credit for Prior Learning, and developing a Career Passport.

PALOMAR *MAKES IT POSSIBLE.*

Palomar Overview:

- **Deferrals from June 2026 to July 2026 will affect cash flow.** Palomar has reserves above the 16.67% level set by the district's Board of Trustees, so deferrals have little impact at Palomar.
- **Palomar** not eligible for the 2.3% COLA; we remain at the “Hold Harmless” funding floor.
- **Palomar** categorical programs will receive COLA (DSPS, EOPS, CalWorks, CARE, etc)

PALOMAR *MAKES IT POSSIBLE.*

All Funds Used by the College

	Unrestricted General Fund	Restricted General Fund	Debt Service Funds	Child Development Fund	Capital Outlay Project Fund	Prop M Bond Construction Fund	Retiree Health
	11	12	23-25	33	41	42	69
Total Revenues	\$215,779,957	\$71,901,564	\$43,858,726	\$3,379,198	\$40,360,168	\$50,384,609	\$13,492,784
Total Expenses, Debt, Transfers, & Other	\$215,779,957	\$71,901,564	\$43,858,726	\$3,379,198	\$40,360,168	\$50,384,609	\$13,492,784
	Associated Student Trust	Student Representation Fee Trust	Student Body Center Fee	Student Financial Aid Trust	Scholarship and Loan Trust	Retiree Health Trust	TOTAL ALL FUNDS
	71	72	73	74	75	79	
Total Revenues	\$286,359	\$549,751	\$206,038	\$26,464,000	\$1,061,588	\$15,194,953	\$482,919,695
Total Expenses, Debt, Transfers, & Other	\$286,359	\$549,751	\$206,038	\$26,464,000	\$1,061,588	\$15,194,953	\$482,919,695

Fund 11 (Unrestricted General Fund)

Funds are UNRESTRICTED and available to meet the district's education mission. Palomar's main operating budget supports MOST of the district's ongoing operations.

PALOMAR *MAKES IT POSSIBLE.*

Fund I I- Summary Revenue & Expenses

	2024-25 Adopted	2025-26 Tentative	Change		
Revenues	\$ 164,386,017	\$ 164,825,586	\$ 439,569		
Expenditures	\$ 167,629,303	\$ 171,563,876	\$ 3,934,573		
Surplus/(Deficit)	\$ (3,243,286)	\$ (6,738,290)			
Reserves	\$ 50,954,371	\$ 44,216,081			
Board Reserve Policy (16.67%)	\$ 27,943,805	\$ 28,599,698			
Notes:					
The district's deficit grows to \$6.7 million in 2025/26, more than doubling compared to the prior year.					
The district will continue to rely on its large reserve (fund balance) of \$51 million to cover the deficit.					
District is projected to remain \$16 million above the board reserve policy level of \$28.6 million.					
District revenues remain relatively flat, slightly increasing by \$439K compared to last year.					
District expenditures are up by \$3.9 million compared to last year, with health care cost increases up 13% representing \$2.1 million of the increase.					

PALOMAR *MAKES IT POSSIBLE.*

Fund II- Revenue

	2024-25 Adopted	2025-26 Tentative	Change	% of Funds
A. Apportionment Revenue	\$140,984,443	\$140,984,443	\$0	85.5%
B. Other State Revenues				
Apprenticeship	\$2,584,225	\$2,741,863	\$157,638	1.7%
Full & Part Time Faculty Funding	\$6,081,491	\$6,137,647	\$56,156	3.7%
Lottery (per FTES)	\$2,982,915	\$2,218,932	(\$763,983)	1.3%
Mandated Costs	\$556,602	\$590,555	\$33,953	0.4%
Other Misc State Revenues	\$4,265,047	\$4,876,620	\$611,573	3.0%
C. Local Revenue				
Nonresident Tuition	\$2,487,260	\$2,346,069	(\$141,191)	1.4%
Other local revenues	\$4,444,034	\$4,825,708	\$381,674	2.9%
RDA Funds for RB Ctr FTES		\$103,750	\$103,750	0.1%
Total Revenues	\$164,386,017	\$164,825,586	\$439,569	
Notes:				
Apportionment revenue is unchanged from prior year. District remains in hold harmless in 25/26 and will not receive a COLA increase on these funds.				
Faculty Funding is higher by \$56K, reflecting COLA & FTES increase for part-time faculty health insurance.				
Lottery estimate lower due to overpayment adjustment & adjustment by COLA & FTES.				
Other Misc. State Revenue \$611K higher due to higher payment from teachers retirement fund (STRS).				
Nonresident Tuition \$141K lower due to anticipated fewer international student enrollments. \$469 per credit for non-resident compared to \$46 for in state.				
Other local revenues , interest income & facility fee revenue, higher by \$381K due to increased enrollments				
RDA Funds: We are using \$103K of Poway RDA funds to increase FTES enrollments the Rancho Bernardo Center by 50 FTES.				

PALOMAR MAKES IT POSSIBLE.

Fund I I -Expenses (salaries)

	2024-25 Adopted	2025-26 Tentative	Change
Salaries			
Instructional Salaries - Full-Time Faculty	\$ 28,829,583	\$ 28,894,681	\$ 65,098
Administrative Salaries	12,927,756	13,608,539	680,783
Instructional Salaries - Part Time Faculty	20,110,000	20,846,637	736,637
Non-Instructional Salaries - Part Time Faculty	1,808,675	1,596,908	(211,767)
Cost of FTES Increases at RB Center		103,750	103,750
Total Academic Salaries	\$ 63,676,014	\$ 65,050,515	\$ 1,374,501
Classified Salaries & Classified Adm.	\$ 29,986,014	\$ 31,078,560	\$ 1,092,546
Instructional Aides - Full-Time	1,913,645	1,874,045	(39,600)
Short-Term & Student Hourly	1,801,258	1,779,175	(22,083)
Instructional Aides Hourly- Part-Time	681,595	617,334	(64,261)
Total Classified Salaries	\$ 34,382,512	\$ 35,349,114	\$ 966,602
Notes:			
All full-time eligible employees received a salary increase based on an additional year of service (step increase) per contracts.			
Academic salaries increased by \$1.3 million compared to last year. Full-time faculty costs are relatively flat due to retirements of higher cost faculty replaced with lower cost faculty; Increased part-time faculty costs to help generate FTES enrollment growth of 3.8%			
Total classified salaries increased by \$966K over the prior year with some increased costs associated with out of class and			
We are also increasing faculty costs specifically to fund FTES enrollment growth at the Rancho Bernardo Center.			
The costs for additional faculty salaries & benefits are: 2025/26=50 FTES costing \$103K.			

PALOMAR MAKES IT POSSIBLE.

Administrative and CAST Employee Salary Schedule

Each step represents a year of service. Employee receives pay increase every year for 41 years.

	Grade 45	
	Annual Salary	Yearly % Increase
Step (Year) 1	78,210	-
Step (Year) 2	82,149	5%
Step (Year) 3	86,334	5%
Step (Year) 4	90,711	5%
Step (Year) 5	95,280	5%
Step (Year) 6	96,237	1%
Step (Year) 7	97,195	1%
Step (Year) 8	98,152	1%
Step (Year) 9	99,137	1%
Step (Year) 10	100,122	1%
Step (Year) 11	101,106	1%
Step (Year) 12	102,146	1%
Step (Year) 13	103,158	1%
Step (Year) 14	104,170	1%
Step (Year) 15	105,237	1%
Step (Year) 16	106,276	1%
Step (Year) 17	107,316	1%
Step (Year) 18	108,410	1%
Step (Year) 19	109,477	1%
Step (Year) 20	110,571	1%
Step (Year) 21	111,693	1%
Step (Year) 22	112,787	1%
Step (Year) 23	113,936	1%
Step (Year) 24	115,085	1%
Step (Year) 25	116,234	1%
Step (Year) 26	117,383	1%
Step (Year) 27	118,559	1%
Step (Year) 28	119,735	1%
Step (Year) 29	120,939	1%
Step (Year) 30	122,143	1%
Step (Year) 31	123,374	1%
Step (Year) 32	124,632	1%
Step (Year) 33	125,863	1%
Step (Year) 34	127,122	1%
Step (Year) 35	128,380	1%
Step (Year) 36	129,693	1%
Step (Year) 37	130,979	1%
Step (Year) 38	132,291	1%
Step (Year) 39	133,605	1%
Step (Year) 40	134,945	1%
Step (Year) 41	136,285	1%

PALOMAR MAKES IT

Fund 11- Funded Positions

PALOMAR COLLEGE				
FY25-26 FULL-TIME PERMANENT POSITIONS				
FUND 11 (ONLY)				
Category	Faculty	Adm.	Staff	Total
PRESIDENT	0	9	7	16
INSTRUCTION	243	24	90	357
STUDENT SERVICES	24	17	57	98
FINANCE AND ADMIN SVCS	0	30	115	145
HUMAN RESOURCES SVCS	0	6	8	14
TOTALS	267	86	278	630

- Fund 12 (restricted budget) supports an additional 130 positions and Fund 33 (child development) supports an additional 14 positions.

PALOMAR *MAKES IT POSSIBLE.*

Fund II - Expenses (Benefits)

	2024-25 Adopted	2025-26 Tentative	Change	Rates
Benefits				
STRS - State Teachers Retirement Costs	\$ 14,727,546	\$ 15,462,063	\$ 734,517	19.10%
PERS - Public Employee Retirement Costs	9,354,075	9,721,946	367,871	27.40%
Social Security and Medicare Costs	3,587,029	3,692,077	105,048	6.2% & 1.45%
Health & Welfare - Medical, Dental, Vision, etc.	17,596,392	19,919,895	2,323,503	
Unemployment Insurance	249,487	250,994	1,507	0.05%
Workers' Compensation Ins.	1,550,407	1,489,858	(60,549)	1.49%
APPLE - Retirement costs for part-time staff	163,493	164,729	1,236	2.50%
Other Benefits - TB Tests	229,922	15,700	(214,222)	
Total Benefits	47,458,351	50,717,262	3,258,911	
Salaries and Benefits	\$ 145,516,877	\$ 151,116,891	\$ 5,600,014	
Contra Expense, Salary/Ben Savings		(1,819,010)	(1,819,010)	
Salaries and Benefits including savings	145,516,877	149,297,881	3,781,004	
Notes:				
Medical benefits increased by 13% for FY25-26; Anthem plans increased by 11.7% & Kaiser plans by 10% on average. Also, employees moved from lower cost to higher cost plans causing overall costs to increase.				
Higher overall salary bases for faculty, staff & admin. increased costs such as retirement (PERS/STRS) costs, social security, medicare and others.				
Contra Expense- Salary/Ben savings is a new item that anticipates the expected turnover in staff and the savings associated with that turnover. For 2025/26, we are budgeting \$1.8 million in savings.				

PALOMAR MAKES IT POSSIBLE.

Palomar Community College District

Classified, Certificated & Confidential Management

2025-2026 Renewal Worksheet

(This is a SISC Account Manager's worksheet and not an official document)

		Single	Two Party	Family	
Anthem Blue Cross - PPO					
100-A \$10; Rx 5-20	2024-2025	\$1,131.00	\$2,214.00	\$3,112.00	
	2025-2026	\$1,258.00	\$2,465.00	\$3,466.00	
	change	\$127.00	\$251.00	\$354.00	
	percentage	11.2%	11.3%	11.4%	
80-E \$20; Rx 9-35	2024-2025	\$914.00	\$1,790.00	\$2,514.00	
	2025-2026	\$1,021.00	\$1,997.00	\$2,807.00	
	change	\$107.00	\$207.00	\$293.00	
	percentage	11.7%	11.6%	11.7%	
Anthem Blue Cross - HMO					
Classic 20/40/250 (FULL); Rx 9-35	2024-2025	\$924.00	\$1,810.00	\$2,542.00	
	2025-2026	\$1,032.00	\$2,020.00	\$2,839.00	Max District Pays
	change	\$108.00	\$210.00	\$297.00	
	percentage	11.7%	11.6%	11.7%	
Kaiser Permanente					
\$0 OV, \$5 Rx	2024-2025	\$889.00	\$1,741.00	\$2,443.00	
	2025-2026	\$978.00	\$1,917.00	\$2,689.00	
	change	\$89.00	\$176.00	\$246.00	
	percentage	10.0%	10.1%	10.1%	
HSA \$1,700	2024-2025	\$614.00	\$1,203.00	\$1,688.00	
	2025-2026	\$676.00	\$1,325.00	\$1,858.00	
	change	\$62.00	\$122.00	\$170.00	
	percentage	10.1%	10.1%	10.1%	
Anchor Bronze					
	2024-2025	\$590.00	\$0.00	\$1,132.00	
	2025-2026	\$658.00	\$0.00	\$1,264.00	
	change	\$68.00	\$0.00	\$132.00	
	percentage	11.53%	*N/A	11.66%	

PALOMAR MAKES IT POSSIBLE.



Fund II - Expenses (Operations)

	FY 2024-25		FY 2025-26		Change			
Supplies	\$1,375,064		\$1,415,216		40,152			
Services & Operations	\$15,326,113		15,773,635		447,522			
Capital Outlay	\$1,223,842		690,652		-533,190			
Transfers	\$4,187,407		4,386,492		122,272			
Total	\$22,112,426		\$22,265,995		76,757			
Notes								
Increased supplies and services budgets by 2.9% (Consumer Price Index).								
Further work on all these budgets will occur this summer with isolating fixed costs from discretionary costs.								
Capital Outlay was reduced by \$533K reflecting future project costs expensed in Fund 41.								
Transfer expenses represent \$3.32 million for police/security and \$412K for student wellness ctr. and remaining funds for designated projects for commencement, co-curricular activities, and transcripts.								

PALOMAR *MAKES IT POSSIBLE.*

Fund I I: Multi-Year Budget Projections

	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
	Adopted Budget	Tentative Budget	Projected Budget		
A. Apportionment Revenue	\$ 140,984,443	\$ 140,984,443	\$ 140,984,443	\$ 146,983,632	\$ 156,827,340
Intrafund Transfers-In -1 RDA Funds General	\$ -	\$ -	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
Intrafund Transfers-in -2 RDA Funds for RB Ctr FTES	-	103,750	311,250	622,501	
Total Revenues	\$ 164,386,017	\$ 164,825,586	\$ 171,089,033	\$ 178,660,758	\$ 189,211,062
Salaries and Benefits	\$ 145,516,877	\$ 149,297,881	\$ 154,406,856	\$ 160,514,059	\$ 166,433,066
Other Operating Expenses	\$ 22,112,426	\$ 22,265,995	\$ 22,867,177	\$ 23,498,311	\$ 24,179,762
Total Expenditures	\$ 167,629,303	\$ 171,563,876	\$ 177,274,033	\$ 184,012,371	\$ 190,612,828
Surplus/(Deficit)	\$ (3,243,286)	\$ (6,738,290)	\$ (6,185,000)	\$ (5,351,613)	\$ (1,401,766)
Governing Board Reserve 16.67%	\$ 27,943,805	\$ 28,599,698	\$ 29,551,581	\$ 30,674,862	\$ 31,775,158
Reserve (ENDING FUND BALANCE)	\$ 50,954,371	\$ 44,216,081	\$ 38,031,081	\$ 32,679,468	\$ 31,277,702

PALOMAR *MAKES IT POSSIBLE.*

Fund I I: FTES/Enrollment & Revenues

				2024-25 Actuals	2025-26 Tentative Budget	2026-27 Projection	2027-28 Projection	2028-29 Projection
State Apportionment Revenue								
	A) Hold Harmless/Funding Floor			140,984,443	140,984,443	140,984,443	140,984,443	140,984,443
	B) Stability (prior year plus COLA)			133,257,392	130,594,034	130,445,539	139,432,727	152,113,360
	C) Student Ctr. Funding Formula (SCFF)			127,657,902	126,009,987	134,548,612	146,983,632	156,827,340
FTES/Enrollments								
	Resident FTES			14,619	15,174	15,751	16,485	17,253
	Yearly Percent Change			3.80%	3.80%	3.80%	4.70%	4.70%

PALOMAR *MAKES IT POSSIBLE.*

Fund I I: Reserves (Fund Balance)

	2021-2022		2022-2023		2023-2024		2024-25	
	Adopted Budget	Actual - Budget	Adopted Budget	Actual - Budget	Adopted Budget	Actual - Budget	Adopted Budget	Actual - Budget
Revenue	137,042,815	146,729,185	152,352,484	151,827,639	160,601,575	166,247,989	164,386,017	
Total Expenses	134,645,068	133,264,345	152,499,242	143,937,381	160,601,575	160,563,107	167,629,303	
Surplus/ (Deficit)	2,397,747	13,464,840	(146,758)	7,890,258	-	5,684,882	(3,243,286)	-
						Reserve Amount	54,197,657	

PALOMAR *MAKES IT POSSIBLE.*

Comments/Recommendations

- We continue to project deficits in the years ahead and will use reserves to cover deficits
- Focus on strategic hiring and expenditures that help achieve FTES enrollment targets.
- Refrain from taking on any unfunded expenses such as hiring and costs above the already budgeted amounts for personnel and operations.
- Start to identify programs/costs to either reduce or eliminate to help balance the budget & if FTES enrollment targets are not met.

RDA Flow of Funds

Sum of Amount	Column Labels ▼						
Row Labels ▼	2020	2021	2022	2023	2024 (blank)	Grand Total	
Escondido	(963,983)	(1,056,397)	(1,075,606)	(1,088,101)	(1,182,706)	(5,366,793)	
Poway	(1,380,601)	(1,491,380)	(1,550,529)	(1,664,776)	(1,764,464)	(7,851,750)	
San Marcos	(1,690,304)	(1,848,942)	(1,893,373)	(2,048,554)	(2,180,549)	(9,661,722)	
Vista	(172,186)	(198,078)	(223,275)	(255,965)	(294,535)	(1,144,039)	
(blank)							
Grand Total	(4,207,073)	(4,594,797)	(4,742,783)	(5,057,397)	(5,422,254)	(24,024,304)	

PALOMAR *MAKES IT POSSIBLE.*