

Budget Status

IEPFSC Town Hall
29 April, 2025

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What is IEPFSC?

- Integrated planning and evaluation
- Fiscal stewardship and communication
 - Monitor the College's fiscal health through the Fiscal Services metrics data dashboard and other official published sources.
 - Develop, interpret, and articulate assumptions, priorities, guidelines, and procedures related to budget processes and resource allocation, integrating recommendations from college-wide plans.
 - Provide ongoing education and communication for the college community regarding fiscal matters.
- Data-informed decision-making
- Accreditation

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Outcomes of Town Hall

- Proactively discuss budgets outside of a crisis
- Develop and level set understanding
- Conversation about budget
- Explain budgets with Palomar community

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Governor's January Proposed Budget 2025 and Budget Timeline

A first glance at a moving target!



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State Overview:

- Revenues turned out to be \$16.5 billion higher than anticipated which means that there is now a small state budget surplus rather than a deficit.
- COLA of 2.43% would apply to Student Center Funding Formula (SCFF) and Stability calculations but not the Funding Floor.
- Many categorical programs also would get COLA.

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Community College/Palomar Overview:



Palomar will not be eligible for the 2.43% COLA; we remain at the “Hold Harmless” funding floor



Statewide expanded Credit for Prior Learning Policies and Career Passport (new) of \$100 million one-time General Fund, \$7 million ongoing, to build upon existing credit for prior learning policies.



\$30 million ongoing General Funds to expand Rising Scholars, a program Palomar has in place.



\$16.0 million ongoing to provide a 2.43-percent COLA for select categorical programs. Palomar is eligible for this state COLA. (see next slide for details)



Provides more than \$330 million to CCs to support technology data transformation and developing a common data platform. This could potentially assist Palomar a lot.

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Categorical Programs with COLA (\$ in millions)

Provide 2.43% COLA for Extended Opportunity Programs and Services (EOPS)	\$4.50
Provide 2.43% COLA for Disabled Student Programs and Services (DSPS)	\$4.24
Lease Revenue Debt Service Adjustments	\$2.44
Waived fees and per unit adjustment for Financial Aid Administration	\$1.70
Provide 2.43% COLA for CalWORKs Student Services	\$1.35
Provide 2.43% COLA for Mandates Block Grant	\$0.95
Provide 2.43% COLA for Apprenticeship (community college districts RSI)	\$0.85
Provide 2.43% COLA for Cooperative Agencies Resources for Education (CARE)	\$0.82
Provide 2.43% COLA for Childcare Tax Bailout	\$0.11

Credit: The CCC's Joint Analysis

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The Budget Calendar Ahead

March/April:

Fiscal starts sharing with board and shared governance groups updated budget **projections** for 25/26 and subsequent years.

Fiscal considers department budget requests for supplies, operations and others and calculates personnel cost changes (salaries and benefits).

May:

Governor's May Revision Presented (updates the January budget).

Fiscal provides a budget update to the board and receives board guidance

June :

Fiscal presents to the Board for approval the **Tentative Budget**

The Budget Calendar Ahead

July: New Fiscal Year begins. State budget enacted before end of June to fund the 25/26 Fiscal Year that starts July 1.

August: Fiscal begins to finalize the 25/26 budget and updates the board. Fiscal provides a budget update to the board and receives board guidance.

September: Fiscal presents to the Board for approval the **Final Adopted Budget**

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Funds Overview (\$ in M)

Fund 11 (Unrestricted General Fund)		\$167 million
Funds are UNRESTRICTED and available to meet the district's education mission. Palomar's main operating budget that supports MOST of the district's ongoing operations.		
Fund 12 (Restricted General Fund)		\$42 million
Funds are RESTRICTED. Funds provided by federal, state or local agencies to serve specific educational needs or populations. E.G. Disabled Students Funds		
Fund 22-25		\$8 million
Funds are RESTRICTED to pay for Measure M bonds. Property tax levies are deposited in these funds and then payments are made to bond holders.		
Fund 41 (Capital Outlay Fund)		\$47 million
Funds are both RESTRICTED and UNRESTRICTED. Funds from the state - Scheduled Maintenance - are RESTRICTED. Redevelopment Agency (RDA) funds are UNRESTRICTED.		
Fund 42 (Proposition M Construction Fund)		
Restricted to construction projects funded with future approved bonds - Measure M.		\$130 million

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State Funding

Show Multi-Year Budgets Spreadsheet (Fund II)

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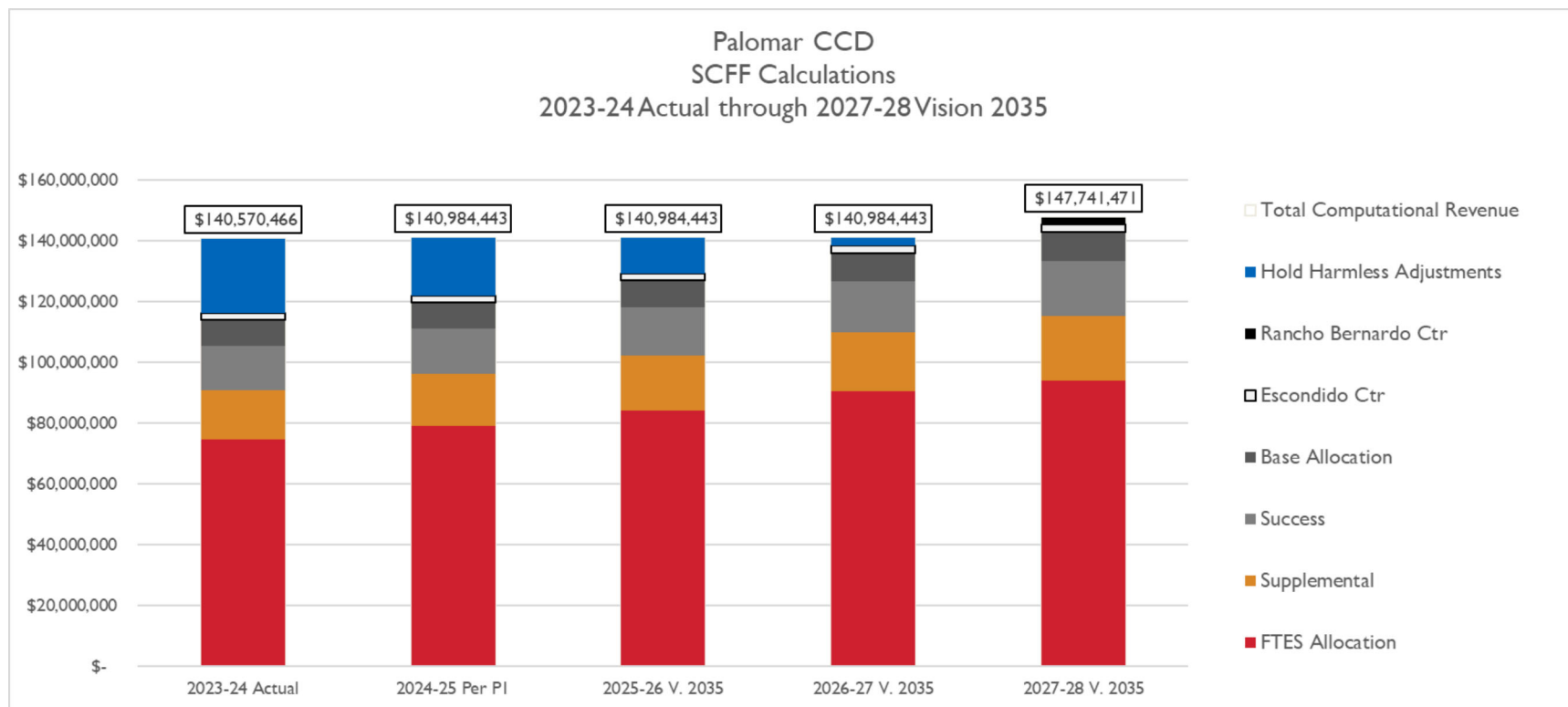
SCFF Funding Formula/Hold Harmless

Palomar Community College District											
Total Computational Revenue											
Maximum of: Base Year + COLA, Current Year SCFF and Prior Year SCFF + COLA											
FY 2017-18 - FY 2027-28											
All \$ in M								COLA Stops FY 25-26 on Base Year			
Fiscal Year	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
A) Base + COLA	\$ 108.5	\$ 111.5	\$ 115.1	\$ 115.1	\$ 121.0	\$ 128.9	\$ 139.5	\$ 141.0	\$ 141.0	\$ 141.0	\$ 141.0
B) CY SCFF	103.7	106.3	111.6	110.4	113.6	129.9	131.2	127.7	126.1	135.5	147.7
C) PY + COLA	-	-	-	111.6	116.0	121.1	140.6	132.6	130.8	130.5	140.4
COLA	2.71%	2.71%	3.26%	0.00%	5.07%	6.56%	8.22%	1.07%	2.43%	3.52%	3.63%

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Palomar Reported Full-Time Equivalent Students (FTES) History & Projections											
FTES Category	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	
Credit	16,671	15,359	13,947	12,471	12,208	12,730	13,424	13,943	14,463	15,168	
Special Admit Credit	593	475	590	522	564	719	772	801	831	872	
Incarcerated Credit	14	15	7	4	4	2	5	5	6	6	
CDCP	395	360	295	341	348	292	157	163	170	178	
Noncredit	279	201	154	132	172	145	261	271	281	295	
Total	17,950	16,411	14,993	13,470	13,295	13,888	14,619	15,184	15,750	16,518	
Note: FTES projections in 25/26 and beyond come from Vision 2035 Plan.							5%	4%	4%	5%	

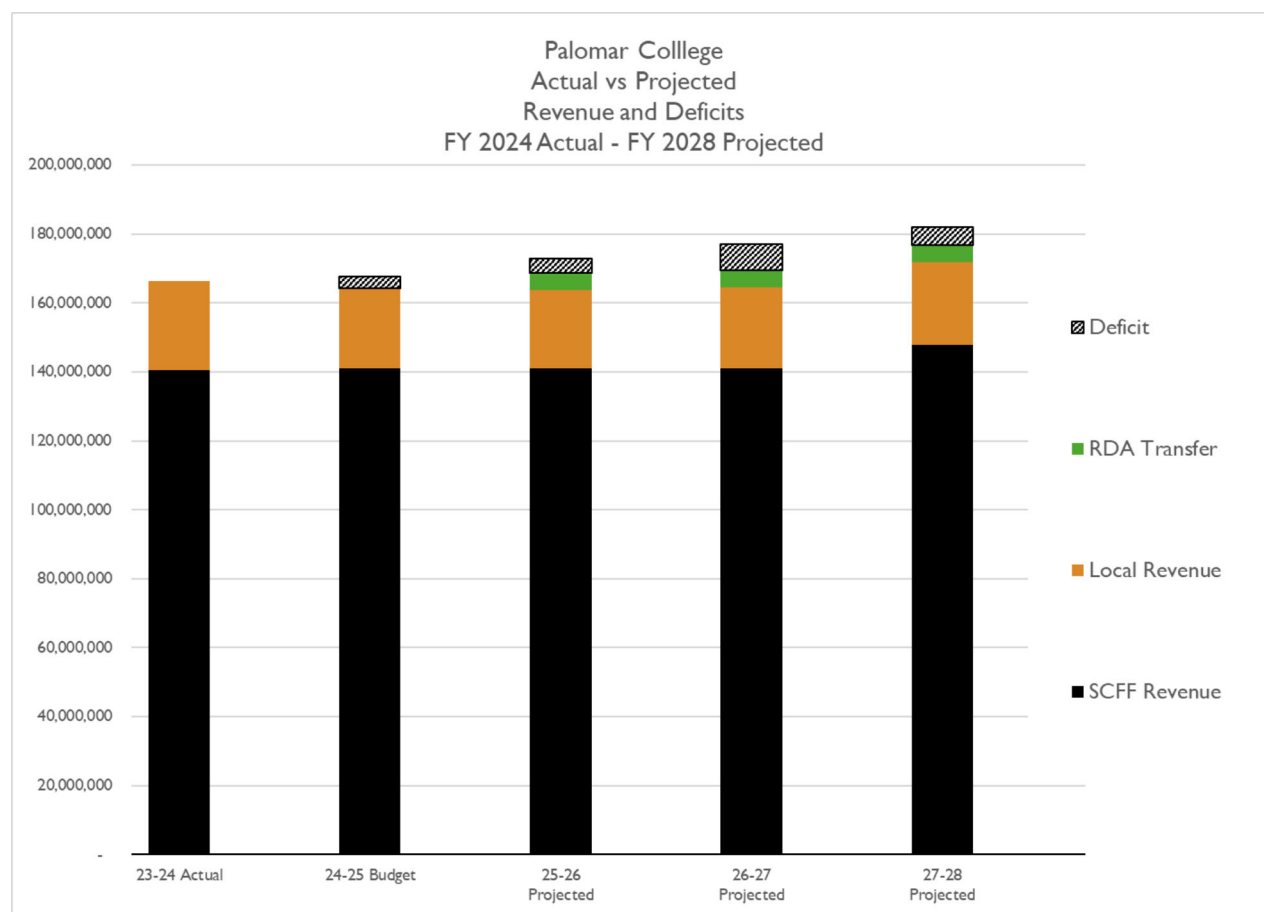
Funding Formula



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Multi-Year Budget Projections:

- Revenue Sources
 - SCFF
 - Local
 - RDA
 - Deficit



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Palomar College Funding Highlights

We continue to project deficits in the years ahead.

We plan to use the fund balance during these years to pay for these deficits

Revenues are static the next two years but need to be deliberate about growing revenues that maximizes revenues in 2027/28

We need to continue to keep costs down and look for greater efficiencies across departments.

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Federal funding

- Palomar has \$4.9 million in Federal Grants/Funds
- Uncertainty about future of these funds.
- Show Fund 12 Spreadsheet

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Redevelopment Agencies (RDAs)

- Dissolved in 2011
- Property tax revenues used to pay down obligations
- Any excess is distributed to various entities, including CC's
- Funding sources – annual amount – continue through...
 - Poway \$1.8 million 2033
 - Escondido 1.2 million 2035
 - Vista 300 thousand 2037
 - San Marcos 2.2 million 2038-2039
- *Caveat – could end at any time....*

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RDA's – What's up?

- Fund balances built up over time
 - Escondido \$5.2 million
 - Poway \$8.3 million
 - San Marcos \$9.9 million
 - Vista \$1.7 million
- Rules were originally very strict
- Communities ended up taking a hands-off approach
- Legal opinion – no limitations

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