

Budget Overview: April 2026

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Topics

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4. Enrollments and Revenues
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Governor's January Budget Highlights

- State general fund budget increase of \$20 billion (8.7%) to \$248.3 billion, reflecting stock gains.
- Deficit projected at \$2.9 billion; LAO says \$18 billion

Governor's January Budget Highlights

- \$240.6 million for a 2.41% cost-of-living adjustment (COLA) for community college apportionments – Palomar Not Eligible
- \$30.6 million for COLAs and adjustments to certain categorical programs. Palomar Eligible
- \$87.2 million to cover systemwide enrollment growth of 1.5% over two years – Palomar Not Eligible

Budget Timeline

- April:** Fiscal shares updated budget **outlook** for 26/27 and subsequent years.
- May:** Governor's May Revision Presented (updates the January budget).

Fiscal builds department budget requests for supplies, operations & calculates personnel cost changes (salaries and benefits).
- June :** Fiscal presents to the Board for approval the **Tentative Budget**

Budget Timeline

July:

New Fiscal Year begins.

State budget enacted before end of June to fund the 26/27 Fiscal Year that starts July 1.

August:

Fiscal begins to finalize the 26/27 budget, updates the board and gets direction from the board on any outstanding issues.

September:

Final Adopted Budget presented to the board for approval.

All Funds of the College Overview

	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	22-25	33	41	42	69
Total Revenues	\$218,484,464	\$85,836,297	\$45,975,532	\$3,853,661	\$46,746,198	\$115,243,988	\$15,525,621
Total Expenses, Debt, Transfers, & Other	\$218,484,464	\$85,836,297	\$45,975,532	\$3,853,661	\$46,746,198	\$115,243,988	\$15,525,621

	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	\$305,147	\$522,296	\$208,038	\$28,549,732	\$1,014,140	\$18,567,685	\$580,832,799
Total Expenses, Debt, Transfers, & Other	\$305,147	\$522,296	\$208,038	\$28,549,732	\$1,014,140	\$18,567,685	\$580,832,799

Enrollments and Revenues

- 25/26 Enrollment Slowing: 3.8% Projected
2% Actual
- State Not Funding Growth: 27K FTES not
funded - \$152 million
- **Bad News for Palomar If This Continues**

Enrollments and Revenues

Best Case

	24/25	25/26	26/27	27/28	28/29	29/30
FTES	14,659	14,952	15,522	16,245	17,002	17,745
FTES %	4.13%	2.00%	3.81%	<u>4.66%</u>	<u>4.66%</u>	<u>4.37%</u>
Funding	\$140,984,442	\$140,984,442	\$140,984,442	\$148,042,916	\$159,015,707	\$170,520,796

Worst Case

	24/25	25/26	26/27	27/28	28/29	29/30
FTES	14,659	14,952	15,522	15,755	15,991	16,231
FTES %	4.13%	2.00%	3.81%	<u>1.50%</u>	<u>1.50%</u>	<u>1.50%</u>
Funding	\$140,984,442	\$140,984,442	\$140,984,442	\$145,335,244	\$153,063,221	\$160,150,105

Enrollments and Revenues

Ideas for Increasing Enrollments

1. Place counselors/staff in high schools
2. Direct outreach to parents of high school seniors
3. Hire students to call potential students
4. Increase dual enrollment offerings
5. Increase high demand class offerings
6. Switchboard for new students/others to call

Deficits, Reserves and Reductions

	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Adopted	Projected Budgets			
Total Expenditures	\$ 173,821,615	\$179,192,977	\$185,208,369	\$191,799,382	\$ 198,186,852
Expenditure Reductions (ongoing/cumulative)			\$(2,000,000)	\$(2,000,000)	\$(3,000,000)
Surplus/(Deficit)	\$ (7,235,367)	\$(6,913,104)	\$(5,757,845)	\$(2,331,701)	\$(2,906,241)
Reserve Level	\$ 44,662,848	\$37,749,744	\$31,991,899	\$29,660,198	\$26,753,957
Board Reserve Target (16.67%)	28,976,063	29,871,469	30,540,835	31,306,157	31,870,848

Deficits, Reserves and Reductions

Budget Reductions Discussion

- Amount of cuts dependent on enrollment success
- Higher enrollments could mean fewer, or even no, budget cuts
- Need a process for identifying program/areas to cut

Deficits, Reserves & Reductions

Budget Reductions Discussion– Some Suggestions

- Focus on cuts outside of the classroom
- Focus on cuts outside of enrollment generation
- When possible, cut operational costs, not personnel
- Avoid layoffs by moving staff in low performing programs/areas to vacant positions critical to instruction and enrollment growth