



**President's Fiscal Monitor Summary
May 14, 2020**

This document is not a summary of progress, it is rather an update on outcomes from our meeting last month. COVID -19 has certainly slowed progress and made certain forecasts unclear, but we are committed to making necessary changes. More details are also available on items below, should you wish to see them.

FCMAT recommendations:

Immediately begin bargaining with all constituent groups

Health and Welfare Benefits

The budget committee has agreed to a plan which has been submitted to both unions. The final plan should save the district approximately 1.6 million dollars annually.

Compensation

The District will be presenting information and seeking direction from the board given the analysis presented below (FY 2019-20 budget update). There are several unknown factors which could potentially affect budget planning including the governor's proposed revenue reductions to K-12 and community colleges.

Establish a comprehensive internal auditing capacity

The Student Financial Aid compliance review plan was developed and review procedures commenced. To date, review procedures have evaluated the District's compliance with Title IV requirements associated with the Clery Act, Drug and Alcohol Program and Consumer Information disclosures. Review procedures include identifying Title IV (e.g. 34 CFR 668 subparts B & D) requirements, researching and evaluating information disclosed and reported by the District and interviewing staff responsible for the data to identify any compliance gaps.

Additionally, the District's Return to Title IV (R2T4) process (a traditionally high-risk audit area throughout the community college system) is being documented (mapped) for further evaluation in a subsequent review. Interviews of stakeholders from Financial Aid and Fiscal

Services are in the final phase. The remaining interviews and an outline of the workflow process will be completed during the week of May 11, 2020.

As stated, all fiscal policies are slated to be updated by the Fall 2020 term.

Review the management structure in all academic and nonacademic areas.

The district is analyzing recent retiree notifications and determining which positions will be activated for FY 2020-21. We are discussing options for reorganization.

Update and follow a comprehensive districtwide planning process that drives budget development

For developing the tentative budget, the discretionary budgets were successfully "rolled" (after adjusting for one-time augmentations); additionally funded and authorized positions are being finalized and summarized.

At the April 14, 2020, Budget Committee the P1 was presented and discussed, with emphasis on the approximate 3.7% deficit factor, or an approximate revenue shortfall of \$4.1 million to Palomar College. Ensuing talks included development of multiple revenue scenarios, including a best case, middle case, and worst case situations. CARES Act funding and its potential assistance to the College were folded into that discussion. Cash position and cash flow issues were raised and planned borrowing arrangements discussed, including Tax Revenue Anticipation Notes (TRANS), temporary funds transfer arrangements with the San Diego County Treasury, and advancement of apportionment revenues through the Chancellor's Office.

The college has also had additional discussions of the budget in the strategic planning council, managers meeting, FCMAT update meeting and a campus-wide State of the Budget Zoom session, drawing 250-300 participants. In these meetings, we discussed calculations of total computational revenues as driven by FTES, as well as supplemental, and outcome measures. Also covered was the potential revenue loss when the SCFF hold harmless provision ends, and associated action steps, and goals identified by the Enrollment Management Task Force. We also emphasized a 3-year multi-year planning model emphasizing three major themes as indicated by FCMAT: Reduce expenditures, Reorganization and Revenue Opportunities.

Through the diligent work of the campus in reducing expenditures, COVID-19 related reductions in service levels and a deep dive of the budget during the budget development process, our projected FY 2019-20 expenditures (actual expenditures through March, plus estimates April through June) are expected to be approximately \$4.5 million lower than budgeted. If FY 2019-20 revenues hold, we will end the fiscal year with an approximate \$2.2 million deficit as compared to the \$7.6 million deficit in the Adoption Budget. Without the \$5 million borrowed from Fund 69, these expenditure reductions would lower the deficit from \$11.7 million to \$7.2 million.

The Instructional Services division is in the process of allocating Prop 20 – Instructional Supplies, as well as Instructional Equipment funds, utilizing a process similar to that in the Program Review resource request, to be incorporated into the FY 2020-21 budget.

This summer will be focused on fully developing the annual budget development plan tied to program review.

To optimize offerings for students, establish and follow a college wide comprehensive enrollment management plan

The Enrollment Management Task Force has agreed upon a calendar structure to organize all goals; collected current events from the Promise program and Outreach department; created a database for data/reports desired through EMTF cycle and developed a 5-year tool for planning SCFF bucket targets and discussed with the enrollment management team.

Several Guided Pathways projects have made movement this month. The Palomar College Program mapper is slated to launch in June 2020. The tool will allow students to have a clearer path of their educational choices at Palomar College and job-related possibilities as they relate to each major. We will have a pilot group of select students and staff use Starfish Degree Planner for approximately one year and have received integrated plan info for use of our Early Alert and Degree Planner

We have had preliminary discussions regarding our Program Discontinuance Policy with the Curriculum Co-Chair and Faculty Senate president. Workgroups have met in April and two more will take place in May. The plan is to have a new policy proposal ready for adoption in September.

Conduct a data integrity study to validate all data used for decision making and to ensure it is accurate and understood consistently by all users

This month the Enrollment Management Task Force (EMTF) implemented the FTES/FTEF calculator for facilitating FTES, FTES/FTEF targets and FTEF allocation for Spring 2021. We will utilize the process for FY 2021-22 goals. Work on the Strategic Enrollment Management Data Warehouse is in progress and an action plan has been established. The first set of standard data elements are focused on Course of Instruction data elements as these data elements feed many of the reports currently being requested by the Task Force.

The SCFF Calculator was utilized to develop various FTES/Supplemental/Outcomes scenarios and then evaluate the impact of the scenarios on the District's Total Computational Revenue. A 4-year planning timeframe was included in the scenario builds. Results of the scenarios were stored in a standard format to allow for comparison. The scenarios were delivered to the chair of the EMTF.

Integrate position control and enrollment management with the financial reporting systems in accordance with standard and best practice

This deep dive discussed previously has also elucidated some budgeting practices that need to be coordinated with the position control process we are developing. Since our last meeting, the district has created a shared database to track positions more readily. We have determined a data dictionary for this spreadsheet and are in process of cleaning up data by (a) determining which positions should still be active and (b) evaluating all positions that are critical to operations and must be re-hired (legal requirements, etc.)

Additionally, two additional administrative processes were automated during this period. The Absence Report used by the Payroll department to report and document employee absences during each payroll period was automated using Adobe Sign functionality. The key reports required for the District's CAL-Card program were also automated to better facilitate remote operations due to COVID-19.

A meeting was scheduled with consultants on April 15, 2020 to aid in finalizing/selecting a consulting partner. Two firms were identified, interviewed, then narrowed down to ERPA to assist with the Commitment Accounting project, to lead towards integrating position control through Human Resource Services and Fiscal Services, including payroll and budget management. The project scope is being finalized.

Establish and follow a comprehensive training program for the following areas: budget, ed code, government responsibilities

The development of an Ed Code, Title 5, BPs & APs training video is scheduled for completion this month. The fiscal questionnaire was delivered to Fiscal Services and the Internal auditor to draft responses to questions and also determine necessary, appropriate external fiscal training.

Several new trainings were offered this month including: monthly requisitions training, new payment request functionality and budget transfer functionality. Ongoing progress has been made on updating content for the Budget Development Manual and CalCard process. In addition, managers can now assign training to their subordinates using the 3PD Portal.