



President's Fiscal Monitor Summary

July 17, 2020

This document is not a summary of progress, it is rather an update on outcomes from our meeting last month. COVID 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:

1. Immediately begin bargaining with all constituent groups

Negotiations concluded and ratified for the classified employee union (CCE) in July 2020. This negotiated change includes a restructuring of health benefits. Negotiations continue with the faculty union (PFF). Meetings with the management and confidential staff are scheduled and the intention is to facilitate changes in benefits. The Dependent Audit is in progress and 50% of employees have participated and completed the required paperwork. The Audit is scheduled to be completed by the end of August. An initial analysis of early results indicates a minimum of twenty dependent ineligibility determinations.

2. Establish a comprehensive internal auditing capacity

While working closely with the Student Services and Financial Aid directors, we completed an assessment of specific Title IV Student Financial Aid requirements. For each Title IV requirement evaluated, the District's level of compliance was determined, preliminary corrective actions were noted, and a workgroup is being established to foster ongoing communications regarding important compliance matters specific to Title IV. Also, during this reporting period, Finance and Administrative Services staff have continued to review and update specific Chapter 6 Board Policies (BP) and Administrative Procedures (AP), including those associated with the District's purchasing and contracting activities. The BPs and APs are being updated in preparation for submission to the shared governance committees during the fall academic term. Lastly, planning has begun for the audit of the District's fixed assets, which was identified as a goal to achieve this summer.

3. Review the management structure in all academic and nonacademic areas.

Several reorganizational related reassignments occurred effective July 1, 2020 (Articulation Function, Police Department, and individual personnel). Continued analysis of reorganization options is ongoing and has been impacted by the large contingency of employee retirements in May and June 2020. With the current remote work environment, an assessment of potential underutilized talent is being identified for opportunities for efficiencies and redeployment. The new Assistant Superintendent/Vice President of Student Services started at the District on July 1 and is working on developing recommendations within this area.

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

Due to the cash deferrals included in the fiscal year 2020/21 state enacted budget, Palomar is anticipating receiving its share apportionment and EPA cash much later than normal, which may cause cash flow concerns for the District. The District anticipates 76% of TCR to be funded by property taxes, 17% by state apportionment and EPA, and 7% by enrollment fees. Fiscal Services is evaluating the impacts of cash deferrals and timing delays of property tax receipts on the available cash position and pursuing several options for potential borrowing. Cash Flow Projections that span through fiscal year 2021/22 have been prepared. On July 14, the Board of Trustees was presented with a resolution to consider a temporary transfer of \$10 million from the County Treasury. As an alternative to borrowing from the County, the Board was also presented with a resolution to consider partaking in tax and revenue anticipation notes (TRANS).

By the end of August, the District will have a draft timeline that will outline the process for above base funding, budget development and staff planning per program review. In early July, Human Resource Services provided guidance on short-term hourly hiring. Prior to October, the Executive Cabinet will release a directive regarding re-hiring, that will be based on criteria to meet the objectives of the FCMAT recommendations.

5. To optimize offerings for students, establish and follow a District wide comprehensive enrollment management plan

The Strategic Enrollment Management Plan narrative update is 40% complete; Appendix A for data is 100% complete. Our action plan is 10% complete. Our work on a viable Program Discontinuance policy is ongoing. Our workgroup met again and will meet one last time this summer before bringing a draft of a new Program Discontinuation policy to shared governance at the start of Fall of 2020. This draft is 85% complete. The revised policy includes development, revitalization, and discontinuation.

The Business Systems Analysts in the Office of Instruction and Division of Student Services have met to discuss points of integration and have formed a workgroup that will hold regular meetings to better respond to the student experience from recruitment, thru to enrollment and

onboarding. Student Services hosted a Tools Showcase that enable the entire campus to gain insight into our existing tools and platforms. The technology workgroup that is working to identify how existing technology can be better utilized to improve the student experience. To that end, the Instruction Manager has joined this workgroup.

6. 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

A progress report from Information Services indicates that they are scheduled to be done with the first set of table views within the SEM Data Warehouse infrastructure by July 17th. The Data Integrity SEM team also met with the instructional Deans to identify priorities for standard reports. The SCFF calculator was updated to reflect changes in planning assumptions for FTES.

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

On May 27, the Human Resource Services and Fiscal Services divisions met to discuss budgeted positions. Fiscal Services provided Human Resource Services with a list of budgeted positions with differentiation between filled positions and those that are vacant for the fiscal year 2020-21 budget, containing FTE and position numbers. The position data was updated in PeopleSoft and will be updated again after the July 14 board meeting to reflect what is in the budget. A report from PeopleSoft has been created to look at all active seated and vacant positions. The report was provided to the Executive Cabinet. The Executive Cabinet reviewed the vacated and inactive positions and indicated which positions will remain active and presented in the budget proposal to the Board of Trustees at the July 14 meeting.

Development of a communication protocol for use by Human Resource Services and Budget Management to establish and remove positions during budget development and throughout the fiscal year will be completed by the end of August. We continue to clarify how the District will move forward with positions through annual staff planning in the Program Review Process along with evaluating staffing throughout the year, through evaluation and communication within the management team.

ERPA consultants and the Palomar project management team met to discuss and clarify project scope, plan activities, sequence, resources, deliverables, and timelines. ERPA has analyzed our data, reviewed our business practices, and reviewed general ledger codes. The team is performing initial reviews and planning activities to work on during the summer. The ERPA consultant has produced the Commitment Accounting (CA) Configuration Deep Dive document which details the PeopleSoft CA functionality and configurations. This document shows how CA functions, as well as, what to consider when Palomar decides how it wants to configure the HCM system to meet its business needs. Work being done here will reduce duplicate work and improve data integrity. Once the accounts are mapped in the Department Budget Table,

Palomar will be able to use Oracle's delivered process, thus replacing the current custom process.

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

Professional Development continues to work with Fiscal Services in order to ascertain and catalog training for employees and the Board of Trustees. Communicative collaboration has been established in a MS Team to understand what training is currently offered and what needs to be developed. In addition, training for department chairs is being explored to aid in the onboarding process of new appointments, as well as ongoing training of existing designees. The efforts of Professional Development via these channels will continue to be coordinated with the 3PD Portal to facilitate access to training, no matter the location of the participant. This model of training will accommodate and leverage the current online learning environment present in 2020 and beyond. In addition, training protocols are being used to further complete an annual training calendar to ensure that continuous, updated, and reflective training is being applied at all levels of the District, from employees to the Board of Trustees.