

**Fiscal Monitor Ken Stoppenbrink's Report to the Chancellor's Office
Communications, Correspondence, and Meetings
October 1, 2021 through October 31, 2021**

NOVEMBER 2019 FCMAT RECOMMENDATIONS

1. NEGOTIATIONS

NO ACTIVITY

2. INTERNAL AUDIT & PROCESS EVALUATION

NO ACTIVITY

3. MANAGEMENT STRUCTURE

NO ACTIVITY

4. BUDGET DEVELOPMENT

The Budget Committee had requested the specific topics of Cost-of-Living Adjustment (COLA) and Fund 69/Fund 79 be reviewed. On October 12, the committee reviewed the COLA, which is estimated at 2.48% for FY2022-23 and the Other Post-Employment Benefits (OPEB) Liability compared to the Funded Amount and the relationship of the two to Fund 69 and Fund 79. The summary of the COLA presentation showed COLA revenue estimated at \$2,999,835 with the annual automatic cost increase at \$6,043,350, for a net loss of \$3,043,515 in FY2022-23. The expense assumptions included the COLA pass-through to employee salaries. The OPEB presentation indicated Palomar College has a higher unfunded OPEB liability when compared to similar districts, which could negatively impact credit ratings and future financial stability. The presentation showed the District is currently budgeting to fund the FY2021-22 service cost to Fund 79, thereby increasing the funded asset amount to offset the FY2021-22 increase in liabilities. Fund 69, which reflects the District's annual payment for current retirees at \$7.7 million, had an ending fund balance of \$12 million which cannot be used to offset the OPEB liabilities. The District should look to increase the pay-as-you-go payroll contribution to offset the current cost for retirees. During the campus wide monthly State of the Budget, held on October 27, the OPEB information was shared by Assistant Superintendent/Vice President of Fiscal and Administrative Services, Ambur Borth. Additionally, Senior Director Michelle Barton reviewed the FY 2020-21 Program Review and Planning (PRP), Resource Allocation and the current year timeline for the PRP process and resource allocation for FY2022-23.

5. ENROLLMENT MANAGEMENT

The academic deans, through the curriculum committee, have started a completion campaign in identifying programs that have less than 10 completions over a series of five years. Each dean has initiated conversations with faculty to determine if

revitalization plans can be helpful or whether deactivations may be necessary at this time.

6. DATA INTEGRITY

The data integrity team continued to meet during the month of October. The Office of Institutional Research and Planning is creating a standard data report tracking the impact of AB705 and creating a set of internal equity metrics.

7. POSITION CONTROL

The District continues to practice position control with a manual database process. Every position that becomes vacant is reviewed prior to recruitment of the position. Positions are approved by the Executive Cabinet if sufficient budget is available to support the position. Categorically funded positions also are approved by the Executive Cabinet in the same manner, ensuring the categorical funds can support the cost of salaries and benefits.

8. PROFESSIONAL DEVELOPMENT

NO ACTIVITY

9. BOARD

On October 5, 2021, the Governing Board held their regularly scheduled board meeting. As a part of the process the board elected officers, which was necessary due to the newly appointed trustee Kartik Raju, who replaced trustee Olson when he resigned.

There was an overview of bond planning provided by Jared Borgon with, (Props & Measures) TBWBH, that was focused on issuing a new bond, and what timelines and procedures would be necessary in the event the Governing Board decided to pursue this option. Both of the Athletics and Fallbrook Education Center project were presented. All the college groups provided reports and updates in their respective areas. The trustees and student trustee provided reports, as well. Superintendent/President Dr. Star Rivera-Lacey provided an update and she called on reports from Student Services; Fiscal and Administrative Services, and Human Resources. The Office of Instruction did not have a report due to an absence.

A special Governing Board meeting was called for October 19, 2021 at 5:00 p.m.

The Governing Board returned to closed session at the end of the open session.

On October 19, the Governing Board held a special meeting for the purposes of reviewing a draft of the Institutional Self Evaluation Report (ISER), in preparation of presenting in December to ACCJC for accreditation purposes.

The information presented included a review of the role of the Governing Board in the process, and a discussion of the Institutional Self Evaluation Report. The Governing Board reviewed the four phases of the accreditation self-evaluation process: institutional self-evaluation, peer review, site visit Commission action, and follow up. There will be a virtual team visit that will run from February 28, 2022 to March 3, 2022. ACCJC will review the College's self-evaluation report and the report from the peer review team in June of 2022 for action.

There were several challenges in producing the ISER that included evolving administrative leadership; updated governance structure; development of a new mission statement; FCMAT assessment; COVID-19, and the need to cut off content changes in spring 2021 to finalize and format the document for submission to ACCJC.

The Board reviewed the accreditation standards and each section of the College's self-evaluation report. Themes included ensuring programs and services are appropriate to higher education, continuous evaluation and improvement, confirmation of quality programs and services, application of resources dedicated to student learning and achievement, and leadership and the decision-making process. The study includes assurances that students receive the same quality of instruction, service, and support regardless of location or means of delivery. The Quality Focus Essay covered institutional improvement, institutional effectiveness and continuous improvement. Highlights of each section of the self-evaluation a covered the Math/English completion; Degree/Certificate completion and Guided Pathways & beyond.

The next steps will be to for the Accreditation Writing Leadership Team to address the feedback received; finalize the evidence; prepare the documents in PDF format for display on the web, and load the flash drives that are used to deliver the document to ACCJC; board action to approve the ISER, and deliver to ACCJC. In preparation for the February visit, there is a communication and campus engagement strategy that will take place over the remaining months.

10. OTHER

NO ACTIVITY

NEW FCMAT RECOMMENDATIONS JANUARY 2021

1. ESTABLISH A THREE-YEAR GOAL TO REDUCE TOTAL COMPENSATION TO LESS THAN 85% OF REVENUES.

Work is in progress to address this recommendation.

2. ESTABLISH AND REVIEW ANNUAL REPORT DESCRIBING DISTRICTS FISCAL RESILIENCE.

Work is in progress to address this recommendation.

3. MAINTAIN FULL-TIME FACULTY OBLIGATION TO NO MORE THAN 2% ABOVE PUBLISHED MINIMUM BY THE CCCCCO.

NO ACTIVITY

4. ESTABLISH THREE-YEAR GOAL TO ACHIEVE CLASSROOM EFFICIENCY STANDARD FOR CONDENSED CALENDAR.

NO ACTIVITY

5. ESTABLISH PROCESS TO PERFORM A FIVE-YEAR TREND ANALYSIS COMPARING ONGOING REVENUE, CLASSROOM EFFICIENCY, F.T.E, AND COMPENSATION YEAR TO YEAR.

Work is in progress to address this recommendation.

6. REVIEW ANNUAL LIST OF INSTITUTIONAL PRIORITIES THAT BRING CREDIBILITY AND TRANSPARENCY TO BUDGET DEVELOPMENT.

The budget development process includes the annual review of priorities included in the Program Review and Planning (PRP) process. Additionally, the multi-year budget includes annual funding for these priorities.

7. DEVELOP REALISTIC REVENUE AND EXPENDITURE ASSUMPTIONS THAT AREN'T RELIED UPON FROM FUNDING OF PROPOSED CENTERS.

Assumptions continue to include funding from one center only; funding from proposed centers has been removed from budget assumptions.