Members present: Brock McMurray, Barbara Amerio, Bill Devine, Sheri Horn-Bunk, Agnes Eguaras, Jo Ellen Patterson, Anthony Cordova, and Justin Madding as recorder.

Members absent: Sharyn Eveland

Call to Order:

The Taft College Budget Committee meeting was called to order at 2:14 p.m. by Brock McMurray.

1. Approval of Minutes:

The minutes from the April 6, 2016 meeting were approved by consensus.

2. IEPI:

Brock McMurray explained that the acronym IEPI stands for two things: “Institutional Effectiveness Partnership Initiative” and “Institutional Effectiveness Partnership Indicators.” IEPI’s are designed to help schools be more effective. Today we are discussing “Indicators.” The Institutional Effectiveness Division of the Chancellor’s Office has set forth 22 indicators for which colleges must set goals over time. Last year Taft College set goals in 4 categories, 2 of which (Fund Balance and Audit) are the responsibility of the Budget Committee.

A. Fund Balance:

Brock McMurray produced historical Indicator Rates from the Chancellor’s Office for review by the committee. Mr. McMurray noted Taft College’s historical Fund Balance rates as follows: 2010/2011 - 15.6%; 2011/2012 - 23.3%; 2012/2013 - 27.5%; 2013/2014 - 15%; 2014/2015 - 20.8%. It was noted that the Fund Balance is fluid, and the ending Fund Balance varies significantly from year to year due to a number of factors, including funding from local tax dollars and State apportionment.

Mr. McMurray explained that the College’s main source of funding comes from local tax dollars and State apportionment. The amount of local tax dollars we receive, and part of the reason our Fund Balance is so variable from year to year, is largely based on the success of the oil/gas/energy industry and any pending lawsuits in that arena. The result is that we may get short-changed on local funding one year, and then receive recompense for the prior lack of funding in subsequent years. With that in mind, Mr. McMurray recommends setting a 2016/2017 Fund Balance goal of 25%. 
Anthony Cordova asked what the impact would be of raising the goal to 25%. Mr. McMurray explained that the fund balance is fluid based on a number of variables. Mr. McMurray further explained that the Fund Balance goal is just that: a goal. The actual ending Fund Balance is what has a real impact. Ending with a low Fund Balance could potentially affect the College’s rating and cash flow. However, based on the current set of factors, including funding adjustments, Mr. McMurray’s opinion is that a 25% Fund Balance goal is reasonable.

The Budget Committee approved a 2016/2017 Fund Balance Goal of 25% by consensus.

B. Audit:

Mr. McMurray referred the Committee to the last three categories of the Indicator Rates sheet regarding Audit Findings. Mr. McMurray explained that the committee is faced with a choice between a modified vs. unmodified audit. Mr. McMurray recommended that the Committee choose to set a goal of an unmodified audit.

The Budget Committee approved a 2016/2017 unmodified audit for all District Programmatic Compliance with State and Federal Guideline Indicators.

3. Budget Update:

Mr. McMurray explained that we are in the budget building process right now. We are currently $1,000,000 over budget in the General Fund. This is the result of an increase in COLA of .47%, adding 2 faculty members, an increase in price of various contracts, an increase in the cost of retiree and employee health benefits, and an additional cost between CalSTRS and CalPERS. Mr. McMurray has met with the VP’s to discuss how to get back to a balance budget.

A tentative budget is due to the Board in June to be passed and implemented in July.

4. Governance Council Update:

It was agreed that the minutes from the Governance Council meetings would be produced prior to the Budget Committee meeting for discussion.

5. Budget Committee Evaluation:

The Budget Committee will complete a self-evaluation survey similar to last year. Mr. McMurray will forward the survey to the members of the Committee for completion. The purpose of the evaluation is for self-improvement of the Budget Committee.

6. Other:

Bill Devine asked for elaboration on a rumor that TIL is not fiscally sound. Mr. McMurray explained that TIL has a debt to the College that they must build into their budget. TIL’s major funding source is the Kern Regional Center. A number of TIL students did not finish the program, which resulted in less funding from the Regional Center. The Regional Center is also going through a restructuring process. TIL remains a strong program, but they must make a
fiscally responsible budget. Sheri Horn-Bunk added that the Taft College Foundation is working on plans and grants in the attempt to find additional funding for TIL.

**Next Meeting:**

The next meeting will be scheduled for Fall of 2016.

**Adjournment:**

The Taft College Budget Committee meeting was adjourned at 2:59 p.m.

Respectfully submitted:

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Justin Madding