Members Present: Brock McMurray, Jennifer Altenhofel, Joy Reynolds, Amanda Bauer, Leslie Minor, and Cliff Watts

Members Absent: Sheri Horn-Bunk and Whisper-Lynn Null

Guests: Justin Madding, Recorder

The Budget Committee meeting of May 20, 2020, was conducted by Zoom and called to order by Brock McMurray at 10:30 a.m.

1. Minutes – April 15, 2020

The minutes from April 15, 2020 were approved by consensus.

2. 20/21 Budget Development Calendar

McMurray said that there have been adjustments to some dates and deadlines at the state level. The tentative budget is now due by the end of July, and the final budget is due at the end of October. Everything has been pushed back a month. Our original tentative budget was built on the original assumptions, but now we have to restart with the new information.

3. Budget Update

McMurray provided a budget update. The May Revise was released on May 14, 2020. It does not give specific details for community colleges. Our funding is largely tied to Prop 98, and community colleges received 10.93% of those monies. The Chancellor’s Office then allocates those funds among the community colleges. It looks like we will be facing about a 10% cut, which means about a $2.7 million cut for us.

Reynolds asked if the Chancellor’s Office will be delaying payments to the colleges. McMurray said that they are looking at deferred payments, which will affect cash flow. We are facing cuts and deferred payments. SEAP may face a 15% cut.

Reynolds asked if we will need to borrow money to cover the shortfall caused by deferred payments. McMurray said that we do not cash reserves, but rather a booked reserve at the county. We will have to do a cash flow analysis on whether we need a TRAN.

Reynolds asked if we ever found out how much funding we will get this year. McMurray said no, but the May revise tells us that we will have cuts in the current year. There is a $400 million cut for community colleges this year, but we do not know how the cuts will be allocated among the colleges.

Reynolds asked if having the campus closed saves money. McMurray said that at this point it is basically a wash, but we have applied for FEMA funds to cover some costs. Bauer said that FEMA reimburses costs up to 75%, and reimbursements can be delayed for up to a year. Reynolds noted the increased cost of security since we had to bring security back at night, which is paid at time-and-a-half.
4. **Budget Committee Goal: Have a greater understanding of the 50% law and how it affects the Taft College Budget**

Bauer provided a presentation with explanation of the 50% law and how it affects the Taft College budget. A copy of the presentation is incorporated in the minutes. There were no questions from the committee members.

5. **2019-20 Budget Committee Goals Update**

McMurray reviewed the committee goals. With the 50% law presentation today, all goals for 2019-20 have been achieved.

6. **Accreditation – Financial Resources Committee**

All drafts except for one have been received, but we are very close to being able to submit all responses.

7. **Other**

Reynolds asked when we will find out accurate budget news regarding cuts. McMurray said that it will take some time to get final numbers. We try to present a tentative budget in July.

Reynolds asked for further explanation of the “reserves” at the county. McMurray provided further hypothetical examples to explain a cash reserve vs. booked reserve. Bauer explained the difference between cash accounting and accrual accounting.

Meeting adjourned.

Respectfully submitted by:

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Justin Madding