

President's Report August 2020

As you can probably imagine, this has been a unique experience. We have been planning for the fall semester, and this next academic year amid a large amount of uncertainty due to the Covid-19 pandemic. As a result of this, we have several changes and recommendations that will impact our budget and operations.

Budget

A key factor is our budget calculation was the assumption that fall enrollment would be down 10% as compared to the current year, which represents a decrease of \$1,965,209 in tuition and fee dollars. Also, we have decreased our dorms, cafeteria, and daycare revenue by \$574,000 due to covid-19 closures. It is our expectation that we might be able to open back up for the Spring Semester.

On the expenditure side, we have frozen all salaries at the current level, reduced departmental budgets, and made adjustment to the calculation of adjunct/overload pay for faculty. In essence for distance learning courses, overload pay would be paid over the 25th student as opposed to the current policy of paying after the 15th student.

Overall the budget has decreased \$1,903,507 as compared to last year. We are recommending that Board adopt a balanced budget in the amount of \$55,597,533

Property Taxes

We have received our certified tax rolls

- Real County \$504,194,884
- Uvalde County \$2,102,496,495
- Zavala County \$1,441,862,040
- Total \$4,048,553,419

These values result in the following tax rates

- No New Revenue Rate (formerly Effective Tax Rate) \$0.1546/\$100
- Current Rate \$0.1614/\$100
- Voter Approval Rate (formerly Rollback Tax Rate) \$0.1671/\$100

Given all the uncertainty we are experiencing as a college including the projected decrease in tuition revenue, we could certainly use the additional \$250,000 that would be generated by maintaining our current rate of \$0.1614/\$100. However, we also understand that this same uncertainty extends to all of our taxpayers. Thus, we will recommend that the Board adopt the No New Revenue Rate of \$0.1546/\$100 a decrease of \$0.0068/\$100. The adoption of the No New Revenue Rate is already incorporated in our proposed budget.

Board Elections

We have an agenda item for a Board Resolution to authorize Real, Zavala, and Uvalde counties to conduct our Board elections in November.

Financial Statements

You will notice in our financial statements ending on July 31, 2020 reflect an increase in net assets of \$2.1 million. This increase is due to several items; increase in summer enrollment, a decrease in expenditures due to remote operations, and Cares Act picking up the additional technical expenditures necessary to move into a remote environment. We can expect a small decrease in August but should end the year with a healthy addition to our fund balances.

Covid-19

We continue to experience staff members test positive for covid-19; however, none to this point have been acquired at the college. We continue to improve our mitigation protocols and audit procedures to make sure they are being followed.

The new proposed federal stimulus bills have additional funds for institutions of higher education (IHE)

- Senate Republican (Heals Act) has \$30 billion for IHE
- Senate Democrat Bill has \$134 billion for IHE
- House Hero's Act has \$36 billion for IHE
- The current Cares Act included approximately \$13 billion for IHE

Board Meeting

Will move the meeting to the Matthews Ball Room to have more space to socially distance, will post the notice accordingly. We will also provide in the board packet the information to connect via Zoom should you wish to attend the meeting via Zoom. We will broadcast our meeting via Facebook Live to the general public.

Upcoming Meeting/Events

8/20	August Board Meeting
8/24	First Day of Class
9/17	September Board Meeting