

**SPECIAL MEETING  
(Budget Workshop)  
OF THE BOARD OF TRUSTEES  
HOUSTON COMMUNITY COLLEGE**

**April 20, 2017**

**Minutes**

The Board of Trustees of Houston Community College held a Special Meeting on Thursday, April 20, 2017 at the HCC Administration Building, Second Floor Auditorium, 3100 Main, Houston, Texas 77007.

**MEMBERS PRESENT**

Eva Loreda, Board Chair  
Neeta Sane, Secretary  
Zeph Capo  
Carolyn Evans-Shabazz  
Robert Glaser  
John Hansen  
Dave Wilson

**ADMINISTRATION**

Cesar Maldonado, Chancellor  
Ashley Smith, General Counsel  
Teri Zamora, Senior Vice Chancellor, Finance and Administration  
Kimberly Beatty, Vice Chancellor,  
Athos Brewer, Vice Chancellor, Student Services  
William Carter, Vice Chancellor, Information Technology  
Kurt Ewen, Vice Chancellor, Planning and Institutional Effectiveness  
Madeline Burillo, President, Southwest College  
Margaret Ford Fisher, President, Northeast College  
Muddassir Siddiqi, President, Central College  
Zachary Hodges, President, Northwest College  
Irene Porcarello, President, Southeast College  
Janet May, Chief Human Resources Officer  
Robert King, Interim Executive Director, HCC Foundation

**OTHERS PRESENT**

Melissa Mihalick Board Counsel, Bracewell LLP  
Melissa Miller-Waters, Faculty Senate President

## **CALL TO ORDER**

Ms. Eva Loreda, Chair, called the meeting to order at 2:17 p.m. and declared the Board convened to consider matters pertaining to Houston Community College as listed on the duly posted Meeting Notice.

*(The following Trustees were present: Capo, Evans-Shabazz, Glaser, Hansen, Loreda, and Wilson)*

## **TOPICS FOR DISCUSSION AND/OR ACTION**

### **BUDGET WORKSHOP REGARDING PROPOSED BUDGET FOR FISCAL YEAR 2017-2018**

Dr. Maldonado apprised that the workshop would provide an opportunity to look at the different scenarios and strategic initiatives for the proposed 2017-2018 budget. He noted Mrs. Teri Zamora would make the presentation.

Mrs. Zamora noted she would be providing an overview of expenses and revenues and apprised that a list of strategic initiatives were uploaded in the system and were being provided under separate cover. Mrs. Zamora presentation included the following:

- Budget Timeline for FY2018
  - April 2017 – College Activities
    - ❖ Develop likely revenue scenarios
    - ❖ Summarize and prioritize all budget requests received from budget managers
    - ❖ Review strategic initiatives
  - April 2017 – Board Activities
    - ❖ Discussion of likely revenue scenarios
    - ❖ Discussion of budget priorities – strategic initiatives
  - May 2017 – College Activities
    - ❖ Develop detailed proposed budget
  - May 2017 – Board Activities
    - ❖ Review preliminary budget recommendation
    - ❖ Approve Local Option Ad Valorem Tax Exemptions
  - June 2017 – College Activities
    - ❖ Develop final budget recommendation
  - June 2017 – Board Activities
    - ❖ Budget Workshop – review budget recommendation
    - ❖ Special Meeting – approve budget
  - August 2017 – College Activities
    - ❖ Receive certified tax roll approximately August 25
  - September 2017 – College Activities
    - ❖ Calculate Effective and Rollback Tax Rates

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- ❖ Publicize tax hearings and rates
- ❖ Recommend appropriate tax rate to fulfill budget passed in June
- September 2017 – Board Activities
  - ❖ Approve proposed tax rates to fulfill budget passed in June
  - ❖ Conduct two tax rate hearings
- October 2017 – Board Activities
  - ❖ Approve appropriate tax rates to fulfill budget passed in June
- November 2017 – College Activities
  - ❖ Submit approved budget to State of Texas
- General Information
  - Number of Students – Unduplicated Headcount and FTSE
  - Degrees and Certificates

Mr. Glaser inquired if the core completion a certificate or a degree. Mrs. Zamora noted it is a certificate upon completion of 40 semester hours.

Mrs. Zamora continued with the presentation:

- Revenues
  - FY 2017-2018 Estimated Unrestricted Revenues

Mrs. Zamora noted two scenarios with two variables. She added one was the House scenario and the second being the Senate recommendation with a difference of \$8000 between the two.

Mrs. Loreda inquired of the international student population number. Mrs. Zamora apprised it is around the 6,000.

Mrs. Zamora resumed with the presentation that included the following:

- History of Debt Tax Rate
- History of Maintenance & Operations (M&O) Tax Rate

Mr. Wilson inquired of the debt amount in M&O bonds and if the percentage rate is higher for M&O bonds than G&O bonds. Mrs. Zamora noted she could obtain the number and that the rate is very close.

Mrs. Zamora continued:

- Ad Valorem Tax Recommendation and Comparative Rates - Selected Texas Community Colleges
- Ad Valorem Tax Revenue Recorded in Financials

Mr. Glaser noted the total ad valorem rate had changed from 2012- 2016 from 4 percent to 6 percent. Mrs. Zamora concurred.

Mrs. Zamora resumed the presentation which included the following:

- Unduplicated Headcount – Dual Credit
- Expenses
  - Budget Approach – 3 Parts
    - People
    - Operations
    - Initiatives

*(Mrs. Sane joined the meeting at 2:56 p.m.)*

- How Do We Approach Our Future?
- Priority Strategic Initiatives Influencing Budget
- Overview of Budget Process for 2018

Mr. Capo noted there was a discrepancy of \$5.6 million between the estimated budget and the potential low side. He inquired of the item tier in the event the gap needs to be closed. Mrs. Zamora apprised the items are considered priority without any ranking.

Mr. Capo noted some items on the projected expense budget are in the LAR and inquired what the alternatives are if items are not funded. Mrs. Zamora noted it would be part of the reconciliation process and the items would be removed.

Dr. Maldonado noted that for budget impact, reducing the scale or increasing the time would be considered in developing the projects. He added that the Veteran's Academy is considered a scale up funding while the Port Academy is being considered for partnering with San Jacinto College. Mr. Capo inquired if San Jacinto and HISD have submitted supplemental requests for the projects. Dr. Maldonado noted HCC is the only one who submitted an exceptional item request.

Mr. Capo inquired that if approved would the others receive triple resources in partnering with them. Dr. Maldonado noted the state has encouraged partnerships to develop a new pathway for students as a means of innovation.

Mr. Capo inquired of the hourly rate for adjunct faculty on the average. Dr. Beatty noted it depends on the discipline and the different variations but the information could be provided.

Mrs. Sane referenced slide 12 and inquired how the expenses will impact not knowing whether the house or senate scenario version will pass. Mrs. Zamora apprised the expenses shown are what is priority and will be ranked with Board guidance depending on the final scenario.

Dr. Evans-Shabazz inquired if the maritime academy will affect with the current relationship with Yates or Austin High School who already have maritime programs. Dr. Maldonado apprised that the programs would be affected and the college is currently working with HISD to merge them into one academy. He added that it would lead to an institute for workforce

training, continuing education and advance certificates for port operations. Dr. Evans-Shabazz noted she would like to be kept apprised on the development.

Mr. Wilson apprised that the Jack Yates High School Maritime Academy graduation would be taking place next Friday April 28 at 5:30 p.m.

Dr. Hansen inquired about the West Houston Institute (WHI) conference center and requested clarification on how the \$400,000 funds will be used. Mrs. Zamora apprised the funds are for filling key positions for the institute and the conference center would be handled differently. Dr. Hansen expressed his sentiments on having a building built with no hardware is not a thoughtful way to use funds. He requested that due consideration be given regarding what was proposed.

Dr. Hansen noted he received feedback from the Northwest science faculty that budget allocation for equipment and consumables has been inadequate to get the labs through the year. He requested that adequate increase in funding for labs be considered. Mrs. Zamora apprised that funding for equipment for labs has been addressed and budget authorities are asked to provide input on consumables and materials needed for the budget process.

*(Mr. Capo stepped out at 3:15 p.m.)*

Dr. Hansen noted he had suggestions that included continuing education, reduced tuition for 65 an older, dual credit, testing centers, and faculty funding to consider in completing the budget.

*(Mr. Capo returned at 3:17 p.m.)*

Mrs. Loreda requested Dr. Hansen provide his suggestion to Mrs. Zamora. Dr. Maldonado added that administration can combine the recommendations to have Trustees review what was discussed in the workshop. Mrs. Zamora noted some of the items addressed were listed in the strategic booklet.

Mr. Wilson requested the total budget for 2014 and 2015. Mrs. Zamora note the budget for 2014 and 2015 could be provided. Mr. Wilson noted he is concerned about the growth of the budget over a three year period while enrollment has declined. He noted the budget reflects luxuries over necessities.

Mr. Glaser noted concerns about 97% of the expenses not being addressed in the budget. Mrs. Zamora noted each succession meeting will grow in detail as the budget is flushed out.

#### **ADJOURNMENT**

With no further business coming before the Board, the meeting adjourned at 3:24 p.m.

Minutes submitted by Sharon Wright, Director, Board Services

Minutes Approved as Submitted: May 25, 2017