

**SPECIAL MEETING
(Annual Finance Training)
OF THE BOARD OF TRUSTEES
HOUSTON COMMUNITY COLLEGE**

April 4, 2017

Minutes

The Board of Trustees of Houston Community College held a Special Meeting on Tuesday, April 4, 2017 at HCC Administration Building, Second Floor, Seminar Room B, 3100 Main, Houston, Texas 77002.

MEMBERS PRESENT

Neeta Sane, Secretary
Robert Glaser

ADMINISTRATION

Teri Zamora, Senior Vice Chancellor, Finance and Administration

OTHERS PRESENT

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

CALL TO ORDER

Ms. Neeta Sane, Board Secretary, called the meeting to order at 2:07 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: Glaser and Sane)

TOPICS FOR DISCUSSION AND/OR ACTION

TRUSTEES ANNUAL TRAINING ON FINANCE

Mrs. Zamora apprised that Mr. Glaser had submitted questions prior to the meeting and noted that some of the questions addressed in the Weekly Administrative Brief (WAB) and others would be addressed in during the training.

Mrs. Zamora provided the annual finance training covering the following:

- Community College Funding Overview
 - Funding Streams for Operations
 - State Funding Directly Appropriated
 - Operating Expenses – THECB Report of Fundable Operating Expenses

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- Cost per Hour Influenced by Academic vs. Workforce Contact Hours
- Momentum Points
- Other Appropriations
- Refundable Operating Expenses per FTSE
- Property Tax Information

Mr. Glaser requested the hard dollars be provided with the 2017 values as a percentage compared to the 2016 and 2011.

Mrs. Zamora apprised HCC is heavily skewed in teaching technical courses compared to peer institutions which influences cost. Mr. Glaser noted HCC is five percent higher than the state average.

Mr. Glaser noted he previously requested information on what makes up technical. Mrs. Zamora noted nursing, engineering, and business technology are considered technical and apprised that could a listing of all the technical programs could be provided.

Mr. Glaser inquired if points equate to dollars and if it is part of the ten percent. Mrs. Zamora noted they were.

Mr. Glaser inquired of the readiness numbers going up and the pass rates going down. Mrs. Zamora noted the state had redefined who required remediation, therefore, by definition fewer students are in remediation.

Mr. Glaser inquired if students in remediation can obtain student loans. Mrs. Zamora noted students can obtain student aid.

Mr. Glaser inquired if disaggregated data on remediation could be obtained based on ethnicity and age. Mrs. Sane also requested if the data can be provided based on cohorts to include demographics and socio-economic background. Mrs. Zamora noted the information could be provided to include if student aid was awarded.

Mr. Glaser inquired what the employer rate would be for retirement and health insurance for the employee. Mrs. Zamora noted that it is pending the audit from ERS and TRS. Mr. Glaser inquired if the information would be available prior to the budget workshop meeting. Mrs. Zamora apprised she is working in obtaining the information.

Mrs. Sane inquired if a quorum was necessary for the meeting. Ms. Mihalick, Board Counsel, a quorum was not necessary since it was a report item and questions were permissible. Mrs. Sane noted she was familiar with the subject matter and had no questions.

(Mrs. Sane stepped out at 2:41 p.m.)

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Mr. Glaser referenced the employees' pension charge for the books and inquired of the reasoning to fill the gap with a charge. Mrs. Zamora apprised that the cause was based on a TRS actuarial model predicting retirement and the lifespan of the employee and the amount in the investment pot.

(Mrs. Sane returned at 2:51 p.m.)

- THECB Composite Financial Index (CFI)

Mr. Glaser inquired if the TRS money charge against the books considered a debt. Mrs. Zamora apprised that was booked as a liability with no expense.

- Annual Financial Report
 - Governmental & College/University Accounting Rules
 - Financial Statements and Single Audit Report – Comprehensive Annual Financial Report (CAFR) August 31, 2016 and 2015
- Monthly Financial Report – January 31, 2017
 - College Funds
 - Unaudited Fund Balances and Activities as of January 31, 2017

Mr. Glaser inquired when the Public Facility Corporation (PFC) fund would be paid off. Mrs. Zamora noted it would be paid off this month.

- Unrestricted Revenue & Expenditures – Fund 1 as of January 31, 2017
- Auxiliary Budget by Fund – Uncommitted Portion – Fund 3 as of January 31, 2017

Mrs. Zamora noted there are three categories for the scholarships which include the Impact scholarship, the Chancellor's Scholarship and the Honors College scholarship. Mr. Glaser inquired if the scholarship responsibility could be transferred to the Foundation office. Mrs. Zamora apprised they could not because recipients are identified through the Financial Aid Office.

Mr. Glaser inquired if fees are the overarching revenue for Fund 3. Mrs. Zamora noted the two main drivers were leasing and the bookstore revenue.

- Auxiliary Budget by Fund – International & Committed Portions – Fund 3 as of January 31, 2017
- Budgeting
 - Internal Budget Process
 - Budget Realities/Assumptions

Mr. Glaser inquired as to who makes up the Strategic Planning committee. Mrs. Zamora informed that it is comprised of internal employees including faculty that meets quarterly.

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- How Do We Approach Our Future?
- Budget Approach – 3 Parts
 - Parts 1 and 2 – People, Operations, People and Operations
 - Part 3 – Initiatives
- Move to Refocus on Return on Investment
- Aligning Strategic Increase Items with Strategic Plan – Strategic Items Funded in 2017
- Back to the Original Questions...

Mrs. Sane complemented and thanked Mrs. Zamora on the budget presentation. Mrs. Sane added she might have specific questions for the committee meeting. Mrs. Zamora apprised she would be answering Mr. Glaser's questions prior to the meeting and could answer her questions also.

ADJOURNMENT

With no further business coming before the Board, the meeting adjourned at 3:27 p.m.

Minutes submitted by Sharon Wright, Director, Board Services

Minutes Approved as Submitted: May 25, 2017