

**SPECIAL MEETING  
OF THE BOARD OF TRUSTEES  
HOUSTON COMMUNITY COLLEGE**

**August 9, 2016**

**Minutes**

The Board of Trustees of Houston Community College held a Special Meeting on Thursday, August 9, 2016 at the HCC Administration Building, Second Floor Auditorium, 3100 Main, Houston, Texas.

**MEMBERS PRESENT**

Adriana Tamez, Board Chair  
Robert Glaser, Vice Chair  
Carolyn Evans-Shabazz, Secretary  
Zeph Capo  
John Hansen  
Eva Loreda  
Christopher W. Oliver  
Neeta Sane  
Dave Wilson

**ADMINISTRATION**

Cesar Maldonado, Chancellor  
Melissa Gonzalez, Chief of Staff  
Ashley Smith, General Counsel  
Teri Zamora, Senior Vice Chancellor, Finance and Administration  
Kimberly Beatty, Vice Chancellor, Instructional Services, Chief Academic Officer  
Athos Brewer, Vice Chancellor, Student Services  
William Carter, Vice Chancellor, Information Technology  
Madeline Burillo, Interim President, Southwest College  
Margaret Ford Fisher, President, Northeast College  
William Harmon, President, Central College  
Zachary Hodges, President, Northwest College  
Phillip Nicotera, President, Coleman College  
Irene Porcarello, President, Southeast College  
Janet May, Chief Human Resources Officer

**OTHERS PRESENT**

Melissa Mahalick, Board Counsel, Bracewell LLP  
Other administrators, citizens and representatives from the news media

Houston Community College  
Special Meeting – August 9, 2016 – Page 2

Mr. Robert Glaser, Vice Chair, called the meeting to order at 11:06 a.m. and declared the Board convened to consider matters pertaining to Houston Community College as listed on the duly posted Meeting Notice.

**APPROVE PROPOSED OPERATING BUDGET (UNRESTRICTED FUNDS) FOR FISCAL YEAR 2016-2017**

Motion: Ms. Sane motioned and Mr. Capo seconded.

Dr. Maldonado noted the recommendation is to approve the proposed operating budget (unrestricted funds) for Fiscal Year 2016-2017 in the amount of \$337,964,214. He noted Mrs. Teri Zamora would provide a presentation of the proposed budget.

Mrs. Zamora provided an overview to include the following and apprised that the presentation would include responses to the inquiries posed by Trustees.

FY 2016- 2017 Proposed Budget

- Executive Summary
- Budget Assumptions
- Budget Goals
- Timelines and Next Steps
- Current Unrestricted Budget – Expenditures
- Unrestricted Expenditures per Completer
- Implementation of Recommendations from Compensation Advisory Committee
- Strategic Increase Items
- Comparative Average Functional Costs per Contact Hour
- Comparative Adjunct Rates
- Center of Excellence
- Anticipated Completion Dates of CIP Projects
- FY 2016-2017 Proposed Budget Summary/Detailed Expense - Current Unrestricted by Expense Type

*(Dr. Tamez joined the meeting at 11:15 a.m.)*

Mrs. Zamora entertained questions and comments from the Trustees regarding the proposed budget.

Mrs. Zamora noted that the faculty adjustment include faculty with tenure over the designated 27 years. She noted year 28 would be added at the top of the scale and will continue to add a year.

Mr. Capo inquired on the addition of a year on a yearly basis and Ms. Zamora apprised that scales at other places go up to 35-40 and the college currently only goes to 27. Dr. Tamez asked if a scale revision is being considered. Mrs. Zamora noted a year will be added to the same scale because faculty prefers adding years in order to move up.

Houston Community College  
Special Meeting – August 9, 2016 – Page 3

Mr. Wilson inquired of the number of people currently in the range, Mrs. Zamora noted approximately 50 but and apprise that the number would be verified.

Mrs. Sane inquired if the Honors College was coming from Fund 3 or Fund 1. Mrs. Zamora advised that the operations for Honors College comes from Fund 1 and student trips and scholarships come from Fund 3.

Mrs. Sane inquired about student success and noted there has been discussion regarding additional resources for the students. Dr. Maldonado noted there will be some increase in cost due to the support provided and noted HCC is the leading college in the initiative.

Mrs. Sane inquired if there are capabilities to provide resources to the students. Dr. Beatty noted a strategic approach is being developed and mentioned the Kinder Foundation has asked HCC to lead a collaborative effort with other colleges. She also noted an approach will be launched in January and that there are some open sources currently being used to assist the students.

Mrs. Sane inquired if there is a policy implication. Dr. Maldonado noted there is no policy implication but more of an operational initiative.

Dr. Hansen noted it is striking to see HCC is paying more per contact hour than Lone Star and inquired if there was an explanation. Mrs. Zamora noted their academic cost is more and that there are different philosophies and interpretations regarding the account coding. Mrs. Zamora noted HCC will review its account coding.

Mrs. Sane inquired about Student Services and how it is being measured regarding cost. Mrs. Zamora noted Student Services will be the next area to be reorganized and that Dr. Brewer is leading the charge regarding in the reorganization of Student Services.

Mrs. Sane noted the presumption is that more students will be able to register easier and should be reflect in the results. Dr. Maldonado noted transformation is not a cost cutting initiative but a quality enhancement initiative. He noted the Student Services reorganization will include more training with the Disney Institute as well as the generation of more apps with the IT reorganization. He noted the effort is to be responsive to students and increase student success.

Dr. Hansen inquired of the percentage of adjunct with doctorates. Mrs. Zamora noted it is between 40-50 out of 2,000 adjuncts. He inquired if a premium was paid, would the numbers increase. Mrs. Zamora explained a premium was paid in 2015, with no significant difference.

Dr. Hansen inquired of the final number regarding the increase in full-time faculty for the year. Mrs. Zamora noted it is an increase of 25 faculty members.

Dr. Hansen inquired if 25 is the best that can be done with the current funds. Mrs. Zamora noted a matrix is being built to determine the number of faculty needed within each content area.

Houston Community College  
Special Meeting – August 9, 2016 – Page 4

Dr. Maldonado added that Dr. Beatty would be able to provide more specifics. Dr. Hansen noted it would be helpful to see the breakdown by content area, and it would be imperative to have full time faculty in the core areas.

Dr. Beatty noted the analysis used to allow funding up to four in each area with a net of 25; however, 55 faculty members were hired. She added that a metric system is in place and an analysis is conducted annually to determine where faculty is most needed.

Mr. Capo noted the actual ratios on the dashboard by content areas and inquired as to how the metrics applied to the area where students are fumbling. Dr. Beatty noted there was a straight analysis and apprised the data points were triangle she noted there were some disciplines that did not rise to needing faculty. She also noted the data is not on the database but adding it could be a consideration.

Ms. Loredo inquired if there is an increase for full time faculty and asked for the current number of faculty. Mrs. Zamora noted there is currently 919 and the recommendation in the 2017 budget is to increase to 944. Ms. Loredo also inquired about the adjunct numbers. Mrs. Zamora noted the numbers are based on the number of sections for teach and apprised that in April there were 2,285 adjuncts.

Ms. Loredo noted adjuncts have to travel to the various locations and sometimes the students leave because the faculty does not show up not realizing they are adjunct faculty. She noted the effort should be to target and hire trained adjuncts that will make the effort to do what is in the best interest of the students. Mrs. Loredo also inquired if full time faculty can teach additional sections. Mrs. Zamora informed it is considered overload.

Mr. Wilson referenced the COE and inquired if efforts are in place to combined classes with low enrollment. Mrs. Zamora noted the assignment is based on ratios and noted Dr. Beatty could speak to the scheduling. Dr. Maldonado noted scheduling is done in a way to bring the smaller classes together. Dr. Beatty noted it is considered enrollment management and apprised the smaller classes have to be balanced for community needs and program growth with a goal of 85% for section efficiency.

Mr. Capo inquired about the dual credit staffing issues and what are the efforts for improvement. Mrs. Zamora noted there is a combination of full-time adjuncts and employment of high school teachers in the dual credit model and informed feedback would be taken seriously regarding concerns.

Mrs. Sane referenced Mrs. Loredo's point regarding the travel time for adjunct faculty. She inquired how efficiency and time management are balance to provide more time in the classroom instead of traveling. She apprised that more time should be allowed for the faculty to educate the students and/or participate in professional development.

Houston Community College  
Special Meeting – August 9, 2016 – Page 5

Mr. Glaser inquired of the efforts regarding student/teacher ratios. Mrs. Zamora noted HCC student/teacher ratio is low and noted the highest cap is 32. Mr. Glaser requested information be provided regarding the student/teacher ratio.

Ms. Loreda inquired about the total listed for the CIP projects. Mrs. Zamora clarified that it includes the staffing of the buildings for the current year and next year. Mrs. Sane inquired what the expenses will be for staffing in the upcoming years. Mrs. Zamora explained it has not been budgeted for the upcoming years, but it will be similar to what is being budgeted.

Dr. Hansen inquired about three items on the pro forma statement that included the 80% increase in travel, the 23% decrease in insurance and the increase of 156% in the Opportunity Fund. Mrs. Zamora noted an increase in travel was allocated for faculty professional development and noted the effort is to align professional development associated to travel. She added the insurance decrease was due to insurance efficiency after the budget was approved because too much was allocated regarding the insurance. Mrs. Zamora noted items are remaining in the Opportunity Fund that have not been allocated to the respective departments.

*(Dr. Evans-Shabazz stepped out at 12:17p.m.)*

Ms. Loreda inquired if there could be another word used for travel such as faculty development fund. Mrs. Zamora noted a new coding can be created for tracking professional development or consider two to view the difference between regular travel and professional development.

*(Dr. Evans-Shabazz returned at 12:19 p.m.)*

Mrs. Zamora provided information regarding the full-time positions and noted the increase was due to:

- Compensation Study
- 2% increase
- New faculty positions

Mr. Wilson inquired if there was a cost study conducted to back up the decision to rely less on contractors. Mrs. Zamora noted HCC will continue to rely on small contractors, but the 16 maintenance staff would be doing simple tasks in-house and coordinate with maintenance vendors.

Mr. Glaser inquired if there could be a more comprehensive comparison from a financial standpoint to see the cost savings. Mrs. Zamora noted there is such capabilities.

Mr. Capo requested reviewing the maintenance analysis in totality to realize savings. Mrs. Zamora noted there will be a quarterly report developed and apprised that the effort is to implement a more robust staff for quicker response time.

Houston Community College  
Special Meeting – August 9, 2016 – Page 6

Mr. Glaser inquired if interest in the bank considered other local income. Mrs. Zamora explained it is the interest of the operating fund.

Mr. Glaser noted the ad valorem tax had changed from previous discussions. Mrs. Zamora explained it changed at the request of Trustees to increase the adjunct salary and added the two items included in the change was the adjunct increase and the technology funds.

Mrs. Sane expressed appreciation to Chancellor Maldonado and asked that he provide an overview of the cap on the Ad Valorem Tax on slide 18. Dr. Maldonado apprised that the rollback threshold is 8% and noted that Mrs. Zamora would provide a more detailed explanation on the rollback.

Mrs. Zamora referenced slide 21 and provided an overview of the Ad Valorem Tax Recommendation and Comparative Rates.

Mr. Glaser noted that the budget should not be drawn on what can be generated from taxpayers but should be based on what is needed to get the mission done. He noted that HCC needs to work hard not to take advantage of taxpayers.

Mrs. Sane noted she respects the opinion of Mr. Glaser and that she does not see it as taking advantage. She noted there is an effort to graduate more students and the new campuses coming on-line that will require a greater budget.

Mr. Wilson noted the quick view of the budget shows administration and staff is more than faculty. He inquired if the budget would be reviewed to cut it down and return some of the money back to the taxpayers.

*(Dr. Tamez stepped out at 12:41 p.m.)*

Mrs. Sane concurred with Mr. Wilson's comments on the high proportion of staff versus faculty and asked if it was a standard practice at other colleges. Mrs. Zamora noted this is a similar pattern to meet the needs of the growing student services provided.

Mr. Capo inquired if there is a breakdown according to the functions to better understand.

*(Dr. Tamez returned at 12:44 p.m.)*

Mrs. Zamora referenced page 16 and noted the data provides an overview of expense regarding unrestricted funds. She apprised that the requested breakdown could be provided.

Mrs. Sane agreed with Mr. Capo's statement and referenced slide 15 in that it would be beneficial to know the breakdown expenditures and functions of the staff.

Houston Community College  
Special Meeting – August 9, 2016 – Page 7

Mrs. Zamora noted the adjustment to the Fund Balance is \$76 million due to GASB 68.

Mr. Wilson inquired if the pension fund requires the college to pay at 7-8%. Mrs. Zamora explained there is no cash payment as it is only a book entry that will affect the Fund Balance.

Mr. Capo inquired of the implications of not having the funding meet the GASB 68. Mrs. Zamora noted it is new and that the rating agencies were already factoring it in.

Dr. Hansen agreed with Mr. Capo that public institutions should not sit on taxpayers' funds. He noted the Fund Balance number changes almost daily and apprised that the number that should be reviewed is the unrestricted fund balance.

Mr. Capo inquired of the current fund reserve policy. Mrs. Zamora noted it is between 9 and 11 percent.

Mr. Wilson referenced page 7 regarding the associate degrees and inquired about the projection for 2016. Dr. Maldonado noted the forecast on the number of awards went up 3 percent. Dr. Beatty noted the goal was 1382 and informed spring and summer numbers are still being certified.

Mr. Wilson referenced page 11 and inquired what was the percentage of the student cost difference from Austin Community College. Mrs. Zamora noted they are similar to Blinn College. Mr. Wilson requested the breakdown.

Mr. Wilson requested the status of the actual budget this year in comparison to what was budgeted. Mrs. Zamora estimated an \$8 million increase in fund balance.

Vote: Motion passed with a 6-1-1 vote with Mr. Glaser opposing and Mr. Wilson abstaining.

**ADJOURNED TO CLOSED SESSION**

Dr. Tamez adjourned the meeting to Executive Session at 1:15 p.m. notice having previously been given and reiterated in accordance with Sections 551.071, 551.072, and/or 551.074 of the Open Meetings Law. Dr. Tamez stated that any final action, vote or decision on any item discussed in Executive Session would be taken up in Open Session or in a subsequent Public Meeting.

Dr. Tamez reconvened the meeting in Open Session at 2:10 p.m. and entertained any motions on pending matters.

*(The following Trustees were present: Capo, Glaser, Hansen, Loreda, Sane, Tamez and Wilson)*

**APPROVE PROPOSED RESTRICTED FUND BUDGET FOR FISCAL YEAR 2016-2017**

Motion: Mrs. Sane motioned and Mr. Capo seconded.

Houston Community College  
Special Meeting – August 9, 2016 – Page 8

Dr. Maldonado apprised the recommendation is for approval of the proposed Restricted Fund Budget for Fiscal Year 2016-2017 in the amount of \$135,423,899 and informed that Mrs. Zamora would provide an overview.

Mrs. Zamora presented an overview of the proposed budget for restricted fund for fiscal year 2016-17. She noted the budget is based on expected grant funds in-house.

*(Dr. Evans-Shabazz joined the meeting at 2:12 p.m.)*

Mr. Glaser inquired of the increase and the decrease in the numbers and the justification for such large changes. Mrs. Zamora explained it is based on the reflection of the type of grants received.

*(Mrs. Sane stepped out at 2:16 p.m.)*

Mrs. Loreda inquired if there is an effort to have all the colleges write grants or only the grant department. Mrs. Zamora explained that it is a collaborative effort to identify more federal grants.

Mrs. Zamora noted the \$107 million in PELL Grant funds is only an estimation and noted it is difficult to budget. She apprised that approximately \$94 million of the \$107 million is PELL funds.

*(Mrs. Sane returned at 2:19 p.m.)*

Mr. Glaser inquired if the college is doing everything possible to minimize liability. Mrs. Zamora noted the efforts are to be as conservative as possible within the purview of the law.

Mr. Wilson inquired as to the number of staff members in the grant department. Mrs. Zamora apprised there are approximately 8 people funded through the operating budget.

Vote: Motion passed with a vote of 7- 0.

**APPROVE PROPOSED AUXILIARY FUND BUDGET FOR FISCAL YEAR 2016 – 2017**

Motion: Dr. Evans-Shabazz motioned and Mrs. Sane seconded.

Dr. Maldonado noted the recommendation is to approve the proposed Auxiliary Fund Budget for Fiscal Year 2016-2017 in the amount of \$12,216,458. He noted the budget shows approximately 2 million in scholarships.

Mr. Glaser inquired as to how the scholarship allocation compare to last year. Mrs. Zamora noted last year started with \$1.5 million.

Mr. Glaser inquired about of the amount under contracted services. Mrs. Zamora noted the allocation and expense is basically for 3100 Main regarding the leased space.

Ms. Loreda referenced the \$2 million in scholarships and inquired of the amount distributed. Mrs. Zamora noted funds were remaining from the previous year's budget; however, it was depleted

Houston Community College  
Special Meeting – August 9, 2016 – Page 9

for this fiscal year. She noted the scholarships pick up the difference for students not having financial aid, and noted the allocation is \$200,000 for the Honors College program; \$300,000 for the Chancellor's Scholarship and \$1.5 million for the Impact Scholarship.

Ms. Loredo inquired as to how the students are informed about the available scholarship funds. Mrs. Zamora noted the funds are automatically given to the students if they meet the criteria. Ms. Loredo added that consideration should be given to increase funding to assist more students.

Mr. Wilson inquired of the contract term end for Saigon Tech. Mrs. Zamora noted that the agreement ends in 2018.

Mr. Glaser inquired of the number of children served through the child care program, in comparison to last year, the type of funding, and what campuses provide child care.

Vote: Motion passed with a vote of 7-0.

**APPROVE CAPITAL AND TECHNOLOGY PLAN FOR FISCAL YEAR 2016-2017**

Motion: Mr. Capo motioned and Mrs. Sane seconded.

Dr. Maldonado apprised the item is recommending approval if the proposed Capital & Technology Plan for Fiscal Year 2016-2017 in the amount of \$9,000,000. He noted the amount of funding is the same as last year.

Mrs. Sane inquired if security upgrades are included. Dr. Maldonado noted they are included.

Mr. Wilson inquired of the source of revenue for the fund. Mrs. Zamora noted the student technology fees generates the revenues.

Ms. Loredo inquired how much is the cost per student. Mrs. Zamora explained there is a \$10 fee to the student.

Mr. Glaser inquired about the decrease in instructional equipment. Mrs. Zamora noted that there was some allowance within the CIP to include technology.

Mrs. Loredo asked if this was going towards the libraries. Mrs. Zamora noted this will include libraries and labs.

Vote: Motion passed with a vote of 7-0.

**REPORT ON HCC FORWARD CAMPAIGN**

Dr. Maldonado informed that the purpose of the item is to provide an overview of the 2016-2017 FORWARD Campaign and apprised that representatives from Deutser would provide a more detailed overview. He noted in preparation of the Fall Convocation, the Trustees will be asked to tape a brief video in support of the HCC FORWARD Campaign.

*(Mr. Glaser stepped out at 2:44 p.m.)*

Houston Community College  
Special Meeting – August 9, 2016 – Page 10

Dr. Maldonado noted Peter Morelli and Kristine Gentry with Deutser would provide an overview of the campaign.

Mr. Morelli noted research was conducted along with one-on-one interviews to create a new HCC vision. He noted the vision was chosen carefully and set forth the overview guide to accomplish the vision. He noted the transformation process included the Strategic Plan, Realignment, and the HCC Way.

Ms. Gentry provided an overview of the HCC FORWARD and the next steps to include how to engage and motivate the employees. She noted the HCC FORWARD campaign supports the overarching student experience and student success. She provided an overview of the following:

- Focus and Students
- Optimism and Passion
- Reliability
- Workforce Preparedness
- Academic Excellence
- Responsiveness
- Dedication to Innovation

Mrs. Sane inquired if the logo is only for the FORWARD Campaign. Mrs. Kristine noted the logo is for the campaign only.

**ADJOURNMENT**

With no further business coming before the Board, the meeting adjourned at 3:04 p.m.

Minutes submitted by Sharon Wright, Director, Board Services

Minutes Approved as Submitted: September 22, 2016