

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

June 16, 2016

Minutes

The Board of Trustees of Houston Community College held a Special Meeting on Thursday, June 16, 2016, at the HCC Administration Building, 3100 Main, in Seminar Rm. B, Houston, Texas.

MEMBERS PRESENT

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

ADMINISTRATION

Cesar Maldonado, Chancellor
Melissa Gonzalez, Chief of Staff
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
Julian Fisher for Madeline Burillo, President, Southwest College
Kenneth Holden for Margaret Ford Fisher, President, Northeast College
Dr. Jolly Joseph for Phillip Nicotera, President, Coleman College
Irene Porcarello, President, Southeast College
Janet May, Chief Human Resources Officer
Carme Williams, Executive Director, HCC Foundation
Remmele Young, Associate Vice Chancellor, Governmental and External Affairs

OTHERS PRESENT

Jarvis Hollingsworth, Board Counsel, Bracewell LLP
David White, President, Faculty Senate
Other administrators, citizens, and representatives from the news media

CALLED TO ORDER

Mr. Robert Glaser, Vice Chair, called the meeting to order at 3:20 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, Sane, and Wilson)

TOPICS FOR DISCUSSION AND/OR ACTION

BUDGET WORKSHOP REGARDING PROPOSED BUDGET FOR FISCAL YEAR 2016-2017

Dr. Maldonado apprised that Mrs. Teri Zamora would provide an overview for 2016-2017 budget.

(Mr. Wilson stepped out at 3:26 p.m.)

Mrs. Zamora provided an overview to include the following:

Executive Summary

- Focus on enacting Strategic Plan
- Continuation of meaningful reorganization
- Focus on production of data sets to drive strategic decisions
- Maintain a fiscally responsible level of Fund Balance
- Facilitate moderate enrollment growth
- Continue initiatives begun in recent years
 - Increase number of full time faculty
 - Salary increases to remain competitive
 - Investment in retention and completion

Budget Assumptions

- State Appropriations will be flat
- No general tuition or fee increases
- Continue reducing tax rates for district residents
- Faculty and instructional expenses must remain top priority
- Retention and completion must also remain a high priority
- Additional non-garage space will come online during FY2017

Budget Goals

- Provide for a consistent, high quality student experience at all locations and online
- Adequately fund new and existing programs of study having external demand from students and/or industry

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- Increase capacity through partnerships and entrepreneurial activities
- Attract, develop and retain talented faculty and staff
- Implement Year 2 of recommendations resulting from Compensation Study
- Provide Centers of Excellence with state-of-the-art equipment and curriculum

Timelines and Next Steps

June

- Finalize revenue budgets
- Prioritize requests for new funding
- Prepare preliminary budget
- Present preliminary budget to Board of Trustees

July

- Meet with budget authorities

August

- Present final budget recommendation to Board of Trustees for approval in early August

September/October

- Approval of property tax rates

(Mr. Wilson returned at 3:32 p.m.)

Current Unrestricted Budget - Expenditures

- Unrestricted Expenditures per Completer
- Implementation of Recommendations from Compensation Advisory Committee
- Strategic Increase Items

(Dr. Tamez joined the meeting at 3:38 p.m.)

Ms. Loredó noted she was glad to see the Honors College, Weekend College, tutoring and career centers distributed to the other COEs beyond what currently exists. She inquired if the monies are going to be redistributed from the programs that already exist. Mrs. Zamora noted the monies are to enhance the existing centers and not create new ones.

Mr. Capo inquired as to how many of the strategic initiatives are working in tandem, and if the intent of Weekend College and increasing Honors College at other places where adjunct faculty exists was to increase full time faculty positions. Mrs. Zamora noted the model has many assumptions. She noted the increase in twenty-five full time faculty positions would assist in reaching the 50% mark regarding full time faculty ratio by program.

Dr. Kimberly Beatty explained it is based on a staggered year model to reach 50. She added 55 fulltime faculty are being hired, instead of the 25, due to open positions and existing funds.

Mr. Capo inquired about the number of full time faculty employed. Dr. Beatty apprised that 864 faculty currently employed.

Dr. Hansen inquired what is being done with the adjunct stipend. Mrs. Zamora replied the stipend rate was increased a year ago to \$1910. Mrs. Sane queried if there were any committed adjunct faculty salary increases being proposed. Mrs. Zamora indicated there were none on the list. Mrs. Sane inquired about the ratio of adjunct faculty to full time faculty. Mrs. Zamora replied there was more adjunct faculty in terms of numbers.

Dr. Hansen inquired as to how committed is everyone regarding a tax rate reduction. Mrs. Sane noted she is not in favor and there are other resources to be considered. Mr. Capo noted he would be better able to response once the administration provides information and recommendations.

Mrs. Zamora continued with the Strategic Increase Items section of the presentation before continuing with the following:

Current Unrestricted Budget - Revenues

- FY 2016-2017 Estimated Unrestricted Revenues
- Tuition/Fee Recommendation and Comparative Rates
- Ad Valorem Tax Recommendation and Comparative Rates
- History of Maintenance and Operation (M&O) Tax Rate
- History of Debt Tax Rate

Mrs. Sane noted the effort is appreciated to save money for homeowners and inquired if consideration has been given to helping students save monies with textbooks or instructional resources. Mrs. Zamora noted work is being done with the open educational resources to add more courses where books are not required.

Mr. Capo inquired how much additional revenue would go towards paying down the debt service side. Mrs. Zamora noted it is based on the prescribed mortgage payment, consideration to be given only to the M&O side. Mr. Capo noted given the restriction, any savings should go towards the debt service side to reduce the debt. Mrs. Zamora noted the revenue debt is paid out of the operating fund.

(Mr. Oliver joined the meeting at 3:58 p.m.)

Related Budget Item

- Unrestricted Fund Balance

Mrs. Zamora requested the Board send any feedback to Board Services to be considered for incorporation into the budget.

Mr. Capo inquired of the anticipated carryover for the end of the fiscal year. Mrs. Zamora noted the estimated figure is not available at this time but would be provided for review by the Board when the budget is considered in August.

Dr. Evans-Shabazz inquired if anything is being done to better align funds available to prevent students from having to drop their courses and why students are put in that position. Mrs. Zamora noted once students have an award letter, their courses are not drop. She noted the issues could be the student filing late or the student filed timely and was selected for random verification regarding FASFA. She noted by law the students cannot be awarded when they are chosen for review. She noted TPEG monies are set aside for temporary loans for students who will be awarded financial aid.

Dr. Evans-Shabazz inquired if the financial aid calls are answered as opposed to reaching a voice mail. Mrs. Zamora noted a call center has been established to answer student calls.

Mr. Capo noted every possibility needs to be closed out regarding the issues of students being dropped when they have filed the FASFA. Mrs. Zamora noted there is a lot of communication provided to the students on what they need to do and when to do it. She noted action is required on the part of the student.

Ms. Loreda noted more information may need to be available to the students to make them aware as to what they need to do. She noted that if the students turned in the paperwork in on time, then they should be allowed to keep their classes. Ms. Zamora stated that beginning in 2018, the student will be able to use the year earlier tax return called the “prior prior year” to make it easier to apply.

Mrs. Sane inquired how the Board’s input would be incorporated into the next step. Dr. Maldonado noted that other mechanisms will be reviewed to address the priorities of the Board. He noted the summary of the Board's discussion is to keep the tax rate steady and review ways to reduce costs to the students.

Dr. Evans-Shabazz recommended adding an alternate email of a parent or a responsible adult of the student to make certain they are receiving the information.

Dr. Hansen noted he is accustomed to receiving the pro forma financial statements and inquired if it is possible to produce. Dr. Maldonado apprised that once the assumptions are firmed and the guidance received, they will be presented in a more meaningful way in the upcoming meeting.

Mr. Wilson noted there are not many institutions that would still be standing after taking the \$76 million hit and note he was glad to see a the conservative fiscal posture the institution took with the reserves. He noted he will be conservative in the budget process to bring up the reserve.

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Mr. Glaser encouraged the Board to send their input and feedback to Board Services for administration to return with a modified budget for the meeting in August.

ADJOURNMENT

With no further business coming before the Board, the meeting adjourned at 4:23 p.m.

Minutes submitted by Sharon Wright, Director, Board Services

Minutes Approved as Submitted: August 18, 2016