



## **AGENDA**

### **COMMITTEE OF THE WHOLE OF THE BOARD OF TRUSTEES**

**May 1, 2024  
4:00 PM**

**3100 Main Street, 2nd Floor Auditorium, Houston, Texas 77002**

**NOTICE OF A MEETING OF THE  
*Committee of the Whole*  
OF THE BOARD OF TRUSTEES**

**HOUSTON COMMUNITY COLLEGE**

**May 1, 2024**

Notice is hereby given that a Meeting of the Committee of the Whole of the Board of Trustees of Houston Community College will be held on Wednesday, May 1, 2024 at 4:00 PM, or after, and from day to day as required, at 3100 Main Street, 2nd Floor Auditorium, Houston, Texas 77002. The items listed in this Notice may be considered in any order at the discretion of the Committee Chair and items listed for closed session discussion may be discussed in open session and vice versa as permitted by law. Actions taken at this Meeting do not constitute final Board action and are only Committee recommendations to be considered by the Board at the next Regular Board meeting.

**I. Call to Order**

- A. Opportunity for Public Comments

**II. Topics For Discussion and/or Action:**

- A. Monthly Investment Report, Financial Statement and Budget Review for March 2024
- B. Report on FY2025 Budget Development - Board Budget Workshop #5: Overview of All Proposed FY 2025 Budgets

**III. Adjournment to closed or executive session pursuant to Texas Government Code Sections 551.071; 551.072 and 551.074, the Open Meetings Act, for the following purposes:**

**A. Legal Matters**

Consultation with legal counsel concerning pending or contemplated litigation, a settlement offer, or matters on which the attorney's duty to the System under the Texas Disciplinary Rules of Professional Conduct clearly conflicts with the Texas Open Meetings Laws.

**B. Personnel Matters**

Deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer, employee or board member to hear complaints or changes against an officer, employee or board member unless the officer, employee or board member who is the subject of the deliberation or hearing requests a public hearing.

**C. Real Estate Matters**

Deliberate the purchase, exchange, lease, or value of real property for Agenda items if deliberation in an open meeting would have a detrimental effect on the position of the System in negotiations with a third person.

#### **IV. Additional Closed or Executive Session Authority:**

If, during the course of the meeting covered by this Notice, the Board should determine that a closed or executive meeting or session of the Board should be held or is required in relation to any items included in this Notice, then such closed or executive meeting or session as authorized by Section 551.001 et seq. of the Texas Government Code (the Open Meetings Act) will be held by the Board at that date, hour and place given in this Notice or as soon after the commencement of the meeting covered by the Notice as the Board may conveniently meet in such closed or executive meeting or session concerning:

Section 551.071 - For the purpose of a private consultation with the Board's attorney about pending or contemplated litigation, a settlement offer, or matters on which the attorney's duty to the System under the Texas Disciplinary Rules of Professional Conduct clearly conflicts with the Texas Open Meetings Laws.

Section 551.072 - For the purpose of discussing the purchase, exchange, lease or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person.

Section 551.073 - For the purpose of considering a negotiated contract for a prospective gift or donation to the System if deliberation in an open meeting would have a detrimental effect on the position of the System in negotiations with a third person.

Section 551.074 - For the purpose of considering the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer, employee or board member to hear complaints or changes against an officer, employee or board member unless the officer, employee or board member who is the subject of the deliberation or hearing requests a public hearing.

Section 551.076 - To consider the deployment, or specific occasions for implementation of security personnel or devices, or a security audit.

Section 551.082 - For the purpose of considering discipline of a student or to hear a complaint by an employee against another employee if the complaint or charge directly results in a need for a hearing, unless an open hearing is requested in writing by a parent or guardian of the student or by the employee against whom the complaint is brought.

Section 551.084 - For the purpose of excluding a witness or witnesses in an investigation from a hearing during examination of another witness in the investigation. Should any final action, final decision, or final vote be required in the opinion of the Board with regard to any matter considered in such closed or executive meeting or session, then such final action, final decision, or final vote shall be at either:

A. The open meeting covered by this Notice upon the reconvening of the public meeting, or

B. At a subsequent public meeting of the Board upon notice thereof, as the Board

shall determine.

**V. Reconvene in Open Meeting**

**VI. Adjournment**

### **CERTIFICATE OF POSTING OR GIVING NOTICE**

On this **26th day of April 2024**, this Notice was posted at a place convenient to the public and readily accessible at all times to the general public at the following locations: (1) the HCC Administration Building of the Houston Community College, 3100 Main, First Floor, Houston, Texas 77002 and (2) the Houston Community College's website: [www.hccs.edu](http://www.hccs.edu).

Posted By:

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Sharon R. Wright  
Director, Board Services

# ACTION ITEM

**Meeting Date:** May 1, 2024

**Topics For Discussion and/or Action:**

ITEM #	ITEM TITLE	PRESENTER
A.	Monthly Investment Report, Financial Statement and Budget Review for March 2024	Dr. Margaret Ford Fisher Jacob Atkin

## RECOMMENDATION

Accept the Investment Report, Financial Statement and Budget Review for the month of March 2024.

## COMPELLING REASON AND BACKGROUND

- The monthly investment report provides the Board with a status of the investment portfolio, including book and market values, and complies with the relevant statute. This report includes the unexpended proceeds of various bond issues.
  - The portfolio is liquid and secure with 67% of the assets invested in local government pools, money market funds and interest-bearing checking accounts.
  - All pools and money market funds are rated “AAA” by Standard & Poor’s, which is the highest level. All bank deposits are secured with U.S. Treasuries/Agencies. The balance of the portfolio is invested in U.S. Treasuries and government-sponsored entities/agencies with “AAA” credit ratings.
- The monthly financial statement and budget review provides the Board with a status of the finances of the college and information related to the various funds of the college, including fund balances, comparison to previous year and comparison to budget.
- Awareness and review of financial information throughout the year helps to inform decision making, and allows for mid-year adjustments, if needed.

## FISCAL IMPACT

For March, the interest income earned for the month and fiscal year to date totaled \$2,207,073 and \$11,098,250, respectively. The weighted average interest rate (WAR) on March 31, 2024, was 5.17% compared to 5.08% last month and 4.65% a year ago.

Interest expense on outstanding debt was \$1,563,940 for the month of March 2024.

## LEGAL REQUIREMENT

The investment report is required by the Public Funds Investment Act (Texas Government Code 2256.023) to be submitted to the governing body of Houston Community College no less than quarterly.

## STRATEGIC ALIGNMENT

*1. Student Success, 5. College of Choice*

### ATTACHMENTS:

Description	Upload Date	Type
Financial Report Presentation	4/24/2024	Presentation
Investment Report - March 2024	4/24/2024	Attachment
Financial Statement - March 2024	4/24/2024	Attachment

**This item is applicable to the following:** District



# **FY 2024**

## **Summary of February 2024**

### **Monthly Investment Report, Financial Statements, and Budget Review**

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Dr. Margaret Ford Fisher, Chancellor

Jacob Atkin, Interim Vice Chancellor, Finance

May 1, 2024

# Executive Summary

## HCCS Financial Update As of March 31, 2024

7<sup>th</sup> month of FY 2024 = 58.3%

- The HCCS main revenue sources remain:
  - **Ad Valorem Taxes** – revenue is up 6.4% due to increased property tax valuations
    - Ad valorem tax revenue collections peaked in January/February 2024 and matches historical payment timing trends. Collections as of March 2024 total \$202.8M or 98.6% of the FY 2024 approved budget.
  - **Tuition & Fees** – is up 7.8% and enrollment is up 7.17% for SCH as of March 31, 2024 due to increased enrollments and increased program offerings in high demand fields.
    - Tuition and fees collected to date are \$102.1M or 96% of the total annual budget vs March 2023 of \$94.7M – a \$7.4M increase. HCCS must continue to aggressively increase enrollment.
    - Tuition and fees collected for Extended Learning are \$13.3M or 265.8% of the total FY 2024 budget vs FY 2023 of \$4.3M – a 209.3% increase.
- **State Appropriations** – appropriations received total \$48.4M or 70.7% of the total annual budget of \$68.6M. Under the State's new funding model payments are received three times per year.
- **Investment Earnings** – Interest earnings for March 2024 total \$2.206M and \$11.098M year-to-date. Weighted Average Return was 5.17% for March 2024. The consistent high interest earned on Invested Funds are tied directly to the Fed's retention of high interest model to control and reduce the rate of inflation in the economy.

# Executive Summary

## HCCS Financial Update As of March 31, 2024 Continued

### 7<sup>th</sup> month of FY 2024 = 58.3%

- HCCS investment interest income for March 2024 was \$2.21M compared to \$1.76M earned in February 2024. Weighted Average Rate of Interest (WAR) for March was 5.17% compared to 5.08% earned in February 2024 and 4.65% for March 2023. Interest income of \$1.81M was earned for the same period last year. No interest rate hike by the Feds since last report. Returns remain strong and flat.
- **FY 2024 year-to-date interest earnings are \$11.10M compared to \$7.25M earned in FY 2023.** The Feds rates hikes were neutral in the month of March. The probability of rate cut by the Feds in the 2nd quarter of 2024 has slightly decreased as data collected and published indicates that inflation (**Core CPI 3.8% and all item CPI 3.5% for March 2024**) in the economy though moderating is still higher than the Feds target rate of 2%. Recent data indicates that the Feds will delay interest rate cut towards the start of 3rd quarter of 2024, with only 1-2 cuts expected for 2024.
- All investments follow Board policy and statutes with High Liquidity and High Security
  - Investment instruments are laddered to optimize safety, liquidity and yield
  - 67% of assets are invested in government pools, money market funds, and interest-bearing checking accounts
  - 33% of assets are invested in U.S. Treasuries and government sponsored AAA entities
- We actively reinvest funds in Treasury bills and certificates in anticipation of interest rate volatility downwards in the 2<sup>nd</sup> and 3<sup>rd</sup> quarter of 2024. Texpool and LoneStar investments are highly liquid and closely monitored by the State of Texas with very strict guidelines that preserve the investments held on behalf of HCCS.

# Summary of Financial Statements

## As of March 31, 2024

7<sup>th</sup> month of FY 2024 = 58.3%

- Actual total operating expenses are \$208.2M or 52.3% of budget. HCCS will continue to monitor and manage operating expenses efficiently.
- Actual salaries for FY 2024 are \$130.3M or 55.3% of the total budget, 3% under budget March 31, 2024 or \$7.06M. Employee benefits are higher by 15% for FY 2024 compared to FY 2023.
  - Actual salaries for FY 2024 are 7.6% higher compared to FY 2023. This is primarily due to a Board approved salary increase of 4% for full-time employees, part-time hourly staff, and an additional 3.5% for faculty leveling. The salary increases are partially offset by hiring chill, delayed hiring and reduction of positions (Faculty and Staff).
- Other line-item expenses - supplies, travel, marketing, insurance, contracted services, instructional and other materials, etc. have variances due to timing differences in recording transactions from year-to-year and the effects of employees returning from working remotely.
- FY 2024 Net Revenue (Revenues - Expenses) is \$171,407,978 as of March 31, 2024, compared to \$155,920,827 as of March 31, 2023.

# Thank You

Please see the Appendix for Additional Financial and  
Budget Information

# Appendix

As of March 31, 2024

7<sup>th</sup> month  
of FY 2024 = 58.3%

Unrestricted Revenues

Unrestricted Expenses

Summary of HEERF Recovery

Summary of Cumulative COVID  
(Tuition & Fees, Auxiliary, Revenue Losses  
and Expense Recovery funded by HEERF I, II  
& III)

# Unrestricted Revenues

As of March 31, 2024

7<sup>th</sup> month  
of FY 2024 = 58.3%

Key:



Actual/Projected Revenue in Excess of Budget



Possible Revenue Deficit Compared to Budgeted Revenue



Minimal expected variance in Budget & Actuals

FY 2024 Adjusted Budget & Actuals			
	FY 2024 Adjusted Budget	Year-to-Date Actuals Thru March 31, 2024	Actuals as a % of Budget
<b>REVENUES</b>			
State Appropriations	\$ 68,550,037	\$ 48,441,970	70.7%
Ad Valorem Taxes	205,735,996	202,804,828	98.6%
Tuition & Fees, Net	106,400,157	102,123,246	96.0%
Other Local Income <sup>2</sup>	5,000,000	13,290,801	265.8%
Tuition & Fees, Net -- Extended Learning	4,862,714	5,551,455	114.2%
Grant Revenue - Indirect Cost	650,000	380,187	58.5%
<b>Total Revenues</b>	<b>391,198,904</b>	<b>372,592,487</b>	<b>95.2%</b>
<b>Fund Balance Transfers In<sup>1</sup></b>	<b>7,045,981</b>	<b>7,045,981</b>	<b>100.0%</b>
<b>Total Revenues and Fund Balance Transfers</b>	<b>\$ 398,244,885</b>	<b>\$ 379,638,469</b>	<b>95.3%</b>

<sup>1</sup>Deferred Maintenance

<sup>2</sup>Includes interest income and gain/loss on investments, royalties, fines and penalties, and other sales

# Unrestricted Expenses

As of March 31, 2024

7<sup>th</sup> month  
of FY 2024 = 58.3%

Key:



Actual/Projected Budget Surplus at Year-End



Potential Budget Deficit at Year-End



Minimal expected variance in Budget & Actuals

FY 2024 Adjusted Budget & Actuals			
	FY 2024 Adjusted Budget	Year-to-Date Actuals Thru March 31, 2024	Actuals as a % of Budget
<b>EXPENSES</b>			
Salaries	235,415,298	130,292,472	55.3%
Employee Benefits	35,127,911	17,515,350	49.9%
Supplies & General Expense	5,217,237	2,390,622	45.8%
Travel	1,340,706	341,288	25.5%
Marketing Costs	3,725,872	1,233,336	33.1%
Rentals & Leases	459,201	166,416	36.2%
Insurance/Risk Mgmt.	8,146,495	7,625,994	93.6%
Contracted Services	33,394,771	14,953,345	44.8%
Utilities	8,711,857	5,025,752	57.7%
Other Departmental Expenses	4,237,825	1,239,540	29.2%
Instructional & Other Materials	11,343,505	7,294,927	64.3%
Maintenance & Repair	1,988,258	940,597	47.3%
Transfers\Debt <sup>1</sup>	42,149,627	17,046,135	40.4%
Contingency/Initiatives	600,857	-	0.0%
Capital Outlay	5,695,465	2,164,718	38.0%
Scholarship Distribution <sup>2</sup>	690,000	-	0.0%
<b>Total Expenses</b>	<b>\$ 398,244,885</b>	<b>\$ 208,230,490</b>	<b>52.3%</b>
<b>NET REVENUE/(EXPENSES)</b>	<b>\$ -</b>	<b>\$ 171,407,978</b>	

Note 1: Transfers/Debt are higher than last year due to resuming the large budgeted transfers for deferred maintenance and technology fees

Note 2: Scholarship Distribution available for students who may require additional financial assistance. No scholarship distributions have been made this year

Note: The first few months of any new year will have wide actual vs. budget variations due to timing of payments and invoicing of new fiscal year

# Summary of HEERF Recovery

## As of March 31, 2024

7<sup>th</sup> month of FY 2024 = 58.3%

- HEERF I, II & III institutional grants are fully closed. HEERF MSI grant funds are still available till June 30, 2024. HEERF I and II Internal Audits are complete
  - HEERF I, II and III funds for student aid have been totally disbursed. This total disbursement of \$118.7M was funded by Student Aid, Institutional, MSI and GEER funds
  - HEERF MSI Grant Funded project **West Loop Student Services Renovation project** with a budget of \$4.3M was approved by the Department of Education with one year extension ending on June 30, 2024. **Project in progress and on schedule**

# Summary of Cumulative COVID: Tuition & Fees, Auxiliary Revenue Losses and Expense Recovery Funded by HEERF I, II, III Grants

As of March 31, 2024

7<sup>th</sup> month  
of FY 2024 = 58.3%

Fiscal Year	Student Aid Distribution	COVID Operational	COVID Projects	Lost Revenue Recovery	Total
FY 2020	\$14,214,200	\$1,279,919	\$0	\$1,013,208	\$16,507,327
FY 2021	23,122,704	15,186,874	0	32,592,127	70,901,705
FY 2022	59,966,289	7,987,163	643,806	19,618,731	88,215,989
FY 2023	21,380,445	2,505,874	16,703,303	2,218,793	42,808,415
FY 2024	901	613	(103,621)	(336)	(102,443)
<b>Total Amount</b>	<b>\$118,684,539</b>	<b>\$26,960,443</b>	<b>\$17,243,488</b>	<b>\$55,442,523</b>	<b>\$218,330,993</b>

HEERF MSI funded West Loop Student Center project is in progress. HEERF MSI grant ends on June 30, 2024.

# Thank You



# HOUSTON COMMUNITY COLLEGE SYSTEM

## MONTHLY INVESTMENT REPORT

**For the Month of March 2024**

**Prepared by  
Finance & Administration Division**

The investment portfolio of the Houston Community College System is in compliance with the Public Funds Investment Act and the College's Investment Policy and Strategies.

/s/ Jacob Atkin

Jacob Atkin, CPA  
Interim Vice Chancellor, Finance

/s/ Victor Onwumere

Victor Onwumere  
Executive Director, Finance & Treasury

# HOUSTON COMMUNITY COLLEGE SYSTEM

## INVESTMENT PORTFOLIO COMPOSITION

### March 31, 2024

Beginning Book Value (March 1, 2024)	\$	549,104,915
Beginning Market Value (March 1, 2024)	\$	552,204,001
Additions/Subtractions (Book Value - Net)	\$	(9,585,421)
Change in Market Value	\$	(59,132,040)
Ending Book Value (March 31, 2024)	\$	539,519,494
Ending Market Value (March 31, 2024)	\$	542,350,274
Unrealized Gain/(Loss)	\$	2,830,781
WAM (67% of Portfolio's Weighted Average Maturity )		1 day
WAM (33% of Portfolio's Weighted Average Maturity - Securities Held To Maturity)		294

* Net amount provided/(for) operations	\$	(76,169,317)
* Net amount provided/(for) CIP/others		(1,645,725)
	\$	<u>(77,815,042)</u>

### EXECUTIVE SUMMARY

### INVENTORY HOLDINGS REPORT

#### March 31, 2024

	Ending Book Value	Ending Market Value	Unrealized Gain (Loss)
US Treasuries	\$ 158,480,363	\$ 161,299,222	\$ 2,818,859
US Agencies	19,378,755	19,390,677	11,922
Local Government Pools	259,825,769	259,825,769	-
Money Market Funds	101,644,776	101,644,776	-
Interest Bearing Checking	189,831	189,831	-
Total	<u>\$ 539,519,494</u>	<u>\$ 542,350,274</u>	<u>\$ 2,830,781</u>
WAR (Weighted Average Interest Rate)		<u>5.17%</u>	

INVESTMENTS  
INVENTORY HOLDINGS REPORT (OPERATING AND OTHERS)  
March 31, 2024

Description	Held At	Interest Rate	Purchase Date	Maturity Date	Par	Discount AMT	Beginning Mkt. Value	Beginning Book Value	Net Change	Ending Book Value	Ending Mkt. Value	Change in Mkt. Value	Unrealized Gain/(Loss)
Fannie Mae ARM Pool 708686	Bank of America	4.07%	02/22/05	05/01/33	\$ 8,510	\$ (1,357)	\$ 8,449	\$ 9,923	\$ (56)	\$ 9,867	\$ 8,401	\$ (48)	\$ (1,465)
Fannie Mae ARM Pool 805454	Bank of America	4.67%	12/23/04	12/01/34	9,405	(5,810)	9,365	15,266	(50)	15,216	9,324	(41)	(5,892)
Federal Home Loan BankUS Domestic Unsecured	Bank of America	4.88%	02/17/23	09/13/24	10,000,000	10,875	9,974,403	9,989,125	-	9,989,125	9,980,503	6,100	(8,622)
Federal Home Loan BankUS Domestic Unsecured	Bank of America	5.25%	03/06/23	03/06/24	10,000,000	7,403	9,999,443	9,992,597	(9,992,597)	-	-	(9,999,443)	-
Federal Home Loan Bank Global Unsecured	Bank of America	0.38%	01/19/24	09/04/25	10,000,000	635,453	9,354,542	9,364,548	-	9,364,548	9,392,449	-	27,901
U.S. Treasury Notes US Govt National	Bank of America	2.38%	02/17/23	08/15/24	5,000,000	172,950	4,934,375	4,827,050	-	4,827,050	4,945,068	10,693	118,018
U.S. Treasury Notes US Govt Treasury	Bank of America	3.25%	02/16/23	08/31/24	15,000,000	344,531	14,847,656	14,655,469	-	14,655,469	14,873,438	25,781	217,969
U.S. Treasury Notes US Govt Treasury	Bank of America	0.25%	03/24/22	03/15/24	20,000,000	721,000	19,960,543	19,279,000	(19,279,000)	-	-	(19,960,543)	-
U.S. Treasury Notes US Govt Treasury	Bank of America	0.38%	02/10/23	04/15/24	25,000,000	1,255,859	24,846,423	23,744,141	-	23,744,141	24,952,374	105,950	1,208,233
U.S. Treasury Notes US Govt Treasury	Bank of America	0.75%	04/18/23	11/15/24	20,000,000	1,106,250	19,392,969	18,893,750	-	18,893,750	19,457,227	64,258	563,477
U.S. Treasury Notes US Govt Treasury	Bank of America	0.63%	04/26/23	10/15/24	10,000,000	520,305	9,720,703	9,479,695	-	9,479,695	9,757,617	36,914	277,922
U.S. Treasury Notes US Govt Treasury	Bank of America	0.75%	05/03/23	11/15/24	10,000,000	512,500	9,696,484	9,487,500	-	9,487,500	9,728,613	32,129	241,113
U.S. Treasury Notes US Govt Treasury	Bank of America	1.75%	10/19/23	03/15/25	10,000,000	488,256	9,667,969	9,511,744	-	9,511,744	9,693,569	25,601	181,825
U.S. Treasury Notes US Govt Treasury	Bank of America	1.75%	01/19/24	03/15/25	5,000,000	160,500	4,833,984	4,839,500	-	4,839,500	4,846,785	12,800	7,285
U.S. Treasury Notes US Govt Treasury	Bank of America	0.50%	01/19/24	03/31/25	10,000,000	475,000	9,529,297	9,525,000	-	9,525,000	9,564,356	35,059	39,356
U.S. Treasury Notes US Govt Treasury	Bank of America	2.75%	02/08/24	05/15/25	5,000,000	115,500	4,873,047	4,884,500	-	4,884,500	4,879,688	6,641	(4,813)
U.S. Treasury Notes US Govt Treasury	Bank of America	2.63%	02/08/24	04/15/25	15,000,000	348,047	14,614,453	14,651,953	-	14,651,953	14,640,527	26,074	(11,426)
U.S. Treasury Notes US Govt Treasury	Bank of America	2.88%	02/08/24	06/15/25	5,000,000	112,305	4,873,438	4,887,695	-	4,887,695	4,879,492	6,055	(8,203)
U.S. Treasury Notes US Govt Treasury	Bank of America	3.50%	03/05/24	09/15/25	5,000,000	-	-	-	4,912,500	4,912,500	4,907,422	-	(5,078)
U.S. Treasury Notes US Govt Treasury	Bank of America	3.50%	03/05/24	09/15/25	5,000,000	-	-	-	4,912,850	4,912,850	4,907,422	-	(5,428)
U.S. Treasury Notes US Govt Treasury	Bank of America	0.25%	03/20/24	09/30/25	10,000,000	-	-	-	9,338,500	9,338,500	9,346,484	-	7,984
U.S. Treasury Notes US Govt Treasury	Bank of America	4.25%	03/28/24	10/15/25	5,000,000	-	-	-	4,964,453	4,964,453	4,959,570	-	(4,883)
U.S. Treasury Notes US Govt Treasury	Bank of America	4.25%	03/28/24	10/15/25	5,000,000	-	-	-	4,964,063	4,964,063	4,959,570	-	(4,492)
Debt Service 2001A Bond Interest Checking	Bank of America	1.83%				-	1,259	1,259	3	1,262	1,262	(29,566,020)	-
HCCS Merchant Service	Bank of America	0.79%				-	33,106	33,106	(1,999)	31,107	31,107	-	-
LTD 2013 Tax Bond General Checking	Bank of America	1.77%				-	351,933	351,933	(194,472)	157,462	157,462	-	-
Merrill Lynch (Morgan Stanley Govt/Goldman Sachs)	Bank of America	3.70%				-	154,028,887	154,028,887	(55,311,263)	98,717,624	98,717,624	-	-
Money Market 2006 Jr. Lien Debt Reserve	Bank of America	3.70%				-	2,915,090	2,915,090	12,061	2,927,152	2,927,152	-	-
Lone Star (Corporate Overnight Fund)	State Street Bank	4.09%				-	99,109,734	99,109,734	15,473,286	114,583,020	114,583,020	-	-
TexPool	State Street Bank	4.03%				-	114,626,449	114,626,449	30,616,300	145,242,749	145,242,749	-	-
<b>TOTAL</b>							<b>\$ 552,204,001</b>	<b>\$ 549,104,915</b>	<b>\$ (9,585,421)</b>	<b>\$ 539,519,494</b>	<b>\$ 542,350,274</b>	<b>\$ (59,132,040)</b>	<b>\$ 2,830,781</b>



# Summary Operating Statements

For the Period  
September 1, 2023 - March 31, 2024

For the Meeting of the Board of Trustees - May 1, 2024

for

**Houston Community College System**



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For the Period September 1, 2023 - March 31, 2024

## **Houston Community College System**

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## Summary of Financial Statements As of March 31, 2024

On June 21, 2023, the Board of Trustees approved the FY 2024 operating budget totaling \$398.2 million. The FY 2024 budget included conservative revenue and expense estimates. Included in the FY 2024 budget is a fund balance transfer totaling \$7 million to continue addressing deferred maintenance. The HEERF Grant process ended on October 31, 2023. No additional funds will be received in FY 2024 and beyond.

The Board approved the FY 2024 Auxiliary budget, Restricted Funds budget, and the Capital and Technology Plan budget. The approved FY 2024 Auxiliary Services revenue budget totals \$7.8 million. Overall, this is a 3% increase compared to the prior year, primarily due to the rental of HCCS space for campus wide events. The Restricted budget totals \$138 million for grant activities, financial aid, and payments for employee benefits. Finally, the approved Capital and Technology Plan budget totals \$7.3 million, which is earmarked for the continuation of asset upgrades and replacement of information and instructional technology equipment.

The Unrestricted Fund as of March 31, 2024, total revenues and fund balance transfers are \$379.6 million. This represents 95.3% of the budgeted total of \$398.2 million. Expenses total \$208.2 million to date, which is 52.3% of the total expense budget of \$398.2 million. Compared with the same period last year, revenues and transfers are higher by 8.9% and expenses are higher by 8.1%. Actual net revenue is \$171.4 million to date. However, revenues and expenses are expected to fall within budget by year end.

Ad Valorem Tax revenue is estimated to increase by 8% for FY 2024 due to increased property tax valuations in the taxing district. The increase in property valuations has allowed HCC to decrease its overall tax rate by 3.5%. Ad Valorem tax revenue is 6.4% higher when compared to last year due to timing of collections. Timing of collections in December through March is different each year. Looking ahead tax revenue will normalize and is expected to fall within budget by year end.

State appropriations are higher by \$15 million when compared to this time last year. This is due to the State's new payment schedule, however, appropriations are expected to be within budget by year-end.

Tuition and fees, net, which include revenues for semester credit hour (SCH) courses, are **7.8%** higher than last year at this time. **Gross tuition and fee revenues are up 8.4%** compared to last year due to increased enrollments and increased program offerings in high demand fields (see page 9). Total waivers and exemptions increased by 12.1% primarily due to Dual Credit waivers.

Extended learning tuition and fees, net are 2.8% higher than last year at this time. **Gross tuition and fees revenues are up by 2.8%.**

Other local income is higher when compared to last year primarily due to an increase in investment interest income.

Actual salaries for FY 2024 are 7.6% higher compared to FY 2023; this is due primarily to a Board approved salary increase of 4% for full-time employees, part-time hourly staff, and an additional 3.5% for faculty leveling. Employee benefits are higher by 15% for FY 2024 compared to FY 2023.

Transfers/Debt remain high due to continuing the budgeted transfers for Deferred Maintenance and technology fees.

Several line-item expenses (supplies, travel, marketing, insurance, contracted services, instructional and other material, etc.) have variances due to timing differences in recording transactions from year-to-year and the effects of employees returning from working remotely. Expenses are expected to be within budget by year-end.

Debt interest expense for the month totaled \$1,563,940 compared to this time in FY 2023 of \$1,957,053.

**HOUSTON COMMUNITY COLLEGE SYSTEM**  
**Statement of Revenues, Expenses and Fund Balances - All Funds**  
**As of March 31, 2024**

	Unrestricted	Restricted	Auxiliary	Loans	Scholarship	Unexpended Plant	Capital and Technology	Retirement of Debt	Investment in Plant	Total
<b>Revenues</b>	\$ 372,592,487	\$ 21,718,555	\$ 4,568,500	\$ -	\$ 89,680,460	\$ 1,637,304	\$ (106,743)	\$ 42,138,777	\$ 216,162	\$ 532,445,502
<b>Expenses</b>										
Salaries	130,292,472	3,729,859	488,600	-	1,345,658	-	-	-	-	135,856,589
Employee Benefits	17,515,350	10,285,700	90,550	-	-	-	-	-	-	27,891,600
Supplies & General Expense	2,390,622	172,756	329,394	-	-	25,317	45,943	-	-	2,964,032
Travel	341,288	41,424	13,430	-	-	-	-	-	-	396,142
Marketing Costs	1,233,336	23,722	-	-	-	-	-	-	-	1,257,057
Rentals & Leases	166,416	3,718	-	-	-	2,097	-	-	-	172,230
Insurance/Risk Mgmt.	7,625,994	1,713	966	-	-	-	-	-	-	7,628,673
Contracted Services	14,953,345	191,984	415,249	-	-	11,829	14,211	(512,203)	-	15,074,415
Utilities	5,025,752	-	212,083	-	-	-	-	-	-	5,237,835
Other Departmental Expenses	1,239,540	370,903	182,179	-	234,943	-	-	-	-	2,027,565
Instructional & Other Materials	7,294,927	466,458	4,538	-	-	24,877	145,787	-	-	7,936,586
Maintenance & Repair	940,597	8,027	2,861	-	-	-	11,671	-	-	963,156
Transfers (In)/Out <sup>1</sup>	17,039,919	-	-	-	(926,475)	(2,651,680)	(15,594,243)	2,132,478	-	-
Debt	6,216	-	-	-	-	-	-	32,784,422	-	32,790,638
Capital Outlay	2,164,718	456,199	36,074	-	-	5,393,881	4,571,341	-	-	12,622,212
Depreciation	-	-	-	-	-	-	-	-	20,297,659	20,297,659
Scholarship Distribution	-	-	1,646,508	-	89,239,435	-	-	-	-	90,885,943
<b>Total Expenses</b>	<b>208,230,490</b>	<b>15,752,461</b>	<b>3,422,432</b>	<b>-</b>	<b>89,893,561</b>	<b>2,806,321</b>	<b>(10,805,289)</b>	<b>34,404,698</b>	<b>20,297,659</b>	<b>364,002,333</b>
<b>Net Revenues/(Expenses)</b>	<b>164,361,997</b>	<b>5,966,094</b>	<b>1,146,068</b>	<b>-</b>	<b>(213,101)</b>	<b>(1,169,017)</b>	<b>10,698,547</b>	<b>7,734,079</b>	<b>(20,081,498)</b>	<b>168,443,169</b>
<b>Other Adjustments and Transfers</b>										
Debt Principal Payments <sup>2</sup>	-	-	-	-	-	-	-	-	-	-
Debt Refinancing	-	-	-	-	-	-	-	-	-	-
Capitalization of Assets & CIP <sup>2</sup>	1,078,227	424,026	24,622	-	-	6,293,604	3,005,977	-	25,127,590	35,954,046
Transfers of Completed Projects/Assets	(1,078,227)	(424,026)	(24,622)	-	-	(3,366,979)	(489,636)	-	5,383,489	-
Transfers of Balances between Funds	-	-	-	-	-	-	-	-	-	-
<b>Total Other Adjustments and Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,926,625</b>	<b>2,516,341</b>	<b>-</b>	<b>30,511,079</b>	<b>35,954,046</b>
<b>Beginning Fund Balances, Audited</b>	<b>47,260,527</b>	<b>853,011</b>	<b>21,027,692</b>	<b>238,698</b>	<b>2,437,234</b>	<b>54,859,947</b>	<b>33,340,424</b>	<b>18,829,170</b>	<b>477,034,460</b>	<b>655,881,162</b>
<b>Ending Fund Balances</b>	<b>\$ 211,622,524</b>	<b>\$ 6,819,105</b>	<b>\$ 22,173,760</b>	<b>\$ 238,698</b>	<b>2,224,133</b>	<b>\$ 56,617,556</b>	<b>\$ 46,555,312</b>	<b>\$ 26,563,248</b>	<b>\$ 487,464,042</b>	<b>\$ 860,278,376</b>

<sup>1</sup>Transfers include student revenue bond payment funds, scholarship matching funds, and transfers to Unexpended Plant and Capital and Technology Funds.

<sup>2</sup>Per government accounting practices, items included in the expenses category above are subsequently deducted from YTD expenses shown above and reclassified as increases or decreases to appropriate asset and liability line items on the balance sheet (page 8). Also, includes GASB 96 SBITA.

**HOUSTON COMMUNITY COLLEGE SYSTEM**  
**Unrestricted Revenues and Expenses**  
**Comparison to Budget and Previous Fiscal Year**  
**As of March 31, 2024**  
**58.3% of Year**

	<b>Budget Comparison</b>			<b>Previous Fiscal Year Comparison</b>			
	<b>FY 2024 Adjusted Budget &amp; Actuals</b>						
	<b>FY 2024 Adjusted Budget</b>	<b>Year-to-Date Actuals Thru March 31, 2024</b>	<b>Actuals as a % of Budget</b>	<b>Year-to-Date Actuals Thru March 31, 2024</b>	<b>Year-to-Date Actuals Thru March 31, 2023</b>	<b>Increase (Decrease) FY 2024 Compared to FY 2023</b>	<b>% Increase (Decrease)</b>
<b>REVENUES</b>							
State Appropriations	\$ 68,550,037	\$ 48,441,970	70.7%	\$ 48,441,970	\$ 33,424,103	\$ 15,017,867	44.9%
Ad Valorem Taxes	205,735,996	202,804,828	98.6%	202,804,828	190,620,955	12,183,873	6.4%
Tuition & Fees, Net	106,400,157	102,123,246	96.0%	102,123,246	94,731,753	7,391,493	7.8%
Other Local Income	5,000,000	13,290,801	265.8%	13,290,801	9,006,539	4,284,262	47.6%
Tuition & Fees, Net -- Extended Learning	4,862,714	5,551,455	114.2%	5,551,455	5,399,069	152,386	2.8%
Grant Revenue - HEERF Funds	-	-	0.0%	-	5,008,012	(5,008,012)	-100.0%
Grant Revenue - Indirect Cost	650,000	380,187	58.5%	380,187	394,008	(13,821)	-3.5%
<b>Total Revenues</b>	<b>391,198,904</b>	<b>372,592,487</b>	<b>95.2%</b>	<b>372,592,487</b>	<b>338,584,440</b>	<b>34,008,047</b>	<b>10.0%</b>
<b>Fund Balance Transfers In</b>	<b>7,045,981</b>	<b>7,045,981</b>	<b>100.0%</b>	<b>7,045,981</b>	<b>10,000,000</b>	<b>(2,954,019)</b>	<b>-29.5%</b>
<b>Total Revenues and Fund Balance Transfers</b>	<b>\$ 398,244,885</b>	<b>\$ 379,638,469</b>	<b>95.3%</b>	<b>\$ 379,638,469</b>	<b>\$ 348,584,440</b>	<b>\$ 31,054,029</b>	<b>8.9%</b>
<b>EXPENSES</b>							
Salaries	235,415,298	130,292,472	55.3%	130,292,472	121,098,722	9,193,750	7.6%
Employee Benefits	35,127,911	17,515,350	49.9%	17,515,350	15,227,912	2,287,438	15.0%
Supplies & General Expense	5,217,237	2,390,622	45.8%	2,390,622	2,136,098	254,524	11.9%
Travel	1,340,706	341,288	25.5%	341,288	391,632	(50,345)	-12.9%
Marketing Costs	3,725,872	1,233,336	33.1%	1,233,336	796,721	436,615	54.8%
Rentals & Leases	459,201	166,416	36.2%	166,416	163,952	2,464	1.5%
Insurance/Risk Mgmt.	8,146,495	7,625,994	93.6%	7,625,994	6,641,751	984,243	14.8%
Contracted Services	33,394,771	14,953,345	44.8%	14,953,345	14,420,475	532,869	3.7%
Utilities	8,711,857	5,025,752	57.7%	5,025,752	4,656,781	368,972	7.9%
Other Departmental Expenses	4,237,825	1,239,540	29.2%	1,239,540	1,250,865	(11,325)	-0.9%
Instructional & Other Materials	11,343,505	7,294,927	64.3%	7,294,927	8,492,932	(1,198,004)	-14.1%
Maintenance & Repair	1,988,258	940,597	47.3%	940,597	643,007	297,590	46.3%
Transfers\Debt	42,149,627	17,046,135	40.4%	17,046,135	13,736,406	3,309,729	24.1%
Contingency/Initiatives	600,857	-	0.0%	-	-	-	0.0%
Capital Outlay	5,695,465	2,164,718	38.0%	2,164,718	3,006,359	(841,642)	-28.0%
Scholarship Distribution	690,000	-	0.0%	-	-	-	0.0%
<b>Total Expenses</b>	<b>\$ 398,244,885</b>	<b>\$ 208,230,490</b>	<b>52.3%</b>	<b>\$ 208,230,490</b>	<b>\$ 192,663,613</b>	<b>\$ 15,566,877</b>	<b>8.1%</b>
<b>NET REVENUE/(EXPENSES)</b>	<b>\$ -</b>	<b>\$ 171,407,978</b>		<b>\$ 171,407,978</b>	<b>\$ 155,920,827</b>	<b>\$ 15,487,152</b>	

# HOUSTON COMMUNITY COLLEGE SYSTEM

## Auxiliary Revenues and Expenses by Fund

As of March 31, 2024

### Auxiliary Funds - Uncommitted Portion

	Main Leasing	Misc. Auxiliary *	Bookstore Commission	Cafe Club NEO 3100 Main	Scholarships	Subtotal Uncommitted
<b>Revenues</b>	\$ 2,239,218	\$ 218,706	\$ 658,726	\$ (20)	\$ -	\$ 3,116,630
<b>Expenses</b>						
Salaries	164,565	67,469	-	-	56,999	289,032
Employee Benefits	41,185	7,403	-	-	836	49,424
Supplies & General Expense	16,961	28,475	-	-	-	45,436
Travel	-	35	-	-	-	35
Marketing Costs	-	-	-	-	-	-
Rentals & Leases	-	-	-	-	-	-
Insurance/Risk Mgmt.	-	-	-	-	-	-
Contracted Services	394,023	8,502	-	-	-	402,526
Utilities	212,083	-	-	-	-	212,083
Other Departmental Expenses	-	149,140	-	-	-	149,140
Instructional & Other Materials	4,298	-	-	-	-	4,298
Maintenance & Repair	853	2,008	-	-	-	2,861
Transfers/Debt	-	-	-	-	-	-
Capital Outlay	17,433	18,597	-	-	-	36,030
Scholarship Distribution	-	-	-	-	1,624,543	1,624,543
<b>Total Expenses</b>	<b>851,401</b>	<b>281,628</b>	<b>-</b>	<b>-</b>	<b>1,682,377</b>	<b>2,815,406</b>
<b>Contribution to Fund Balance</b>	<b>\$ 1,387,817</b>	<b>\$ (62,922)</b>	<b>\$ 658,726</b>	<b>\$ (20)</b>	<b>\$ (1,682,377)</b>	<b>301,224</b>
<b>Beginning Fund Balance, Audited</b>						<b>16,887,134</b>
<b>Ending Fund Balance</b>						<b>\$ 17,188,358</b>

\* Expenditures in this category include Minority Male Initiative, Government Relations, Mobile Go, etc.

# HOUSTON COMMUNITY COLLEGE SYSTEM

## Auxiliary Revenues and Expenses By Fund

As of March 31, 2024

### Auxiliary Funds - International and Committed Portions

	International				Committed				Total
	Saigon Tech	Qatar	Other International Initiatives	Subtotal International	Student Vending Commission	Student Activity Fee	Student Athletic Fee	Subtotal Committed	Total Auxiliary
<b>Revenues</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 812,439	\$ 639,431	\$ 1,451,870	\$ 4,568,500
<b>Expenses</b>									
Salaries	-	-	-	-	-	11,459	188,109	199,568	488,600
Employee Benefits	-	-	-	-	-	2,575	38,551	41,127	90,550
Supplies & General Expense	-	-	-	-	-	254,844	29,114	283,958	329,394
Travel	-	-	-	-	-	9,586	3,809	13,395	13,430
Marketing Costs	-	-	-	-	-	-	-	-	-
Rentals & Leases	-	-	-	-	-	-	-	-	-
Insurance/Risk Mgmt.	-	-	-	-	-	889	77	966	966
Contracted Services	-	-	-	-	-	11,985	738	12,724	415,249
Utilities	-	-	-	-	-	-	-	-	212,083
Other Departmental Expenses	-	-	-	-	-	25,546	7,494	33,040	182,179
Instructional & Other Materials	-	-	-	-	-	-	240	240	4,538
Maintenance & Repair	-	-	-	-	-	-	-	-	2,861
Transfers/Debt	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	44	-	44	36,074
Scholarship Distribution	-	-	-	-	-	21,965	-	21,965	1,646,508
<b>Total Expenses</b>	-	-	-	-	-	338,894	268,132	607,026	3,422,432
<b>Contribution to Fund Balance</b>	-	-	-	-	-	473,545	371,299	844,844	1,146,068
<b>Beginning Fund Balance, Audited</b>				1,704,280	(1,284,080)	1,819,667	1,900,691	2,436,278	21,027,692
<b>Ending Fund Balance</b>				\$ 1,704,280	\$ (1,284,080)	\$ 2,293,212	\$ 2,271,990	\$ 3,281,122	\$ 22,173,760

**HOUSTON COMMUNITY COLLEGE SYSTEM**  
**Unrestricted Adjusted Budgets and Actuals by Division - Summary Comparison**  
**As of March 31, 2024**  
**58.3% of Year**

Division	FY 2024 Adjusted Budget	Actuals as of March 31, 2024	% Spent	FY 2023 Adjusted Budget	Actuals as of March 31, 2023	% Spent
Central College	\$ 13,324,334	\$ 7,343,003	55.1%	\$ 12,438,868	6,529,057	52.5%
Northwest College	16,879,795	9,170,499	54.3%	15,276,507	8,248,958	54.0%
Northeast College	14,138,300	8,075,193	57.1%	13,333,615	7,777,758	58.3%
Southwest College	14,487,478	8,534,371	58.9%	13,420,219	7,900,595	58.9%
Southeast College	15,801,238	8,937,807	56.6%	15,066,716	8,319,935	55.2%
Coleman College	18,916,384	10,415,621	55.1%	16,984,666	9,059,493	53.3%
Academic Instruction	72,374,651	42,955,028	59.4%	69,028,298	39,914,128	57.8%
Division of Workforce Instruction	3,973,352	2,046,623	51.5%	3,831,290	1,895,954	49.5%
Office of the Chancellor	10,507,433	4,924,159	46.9%	9,926,491	5,224,541	52.6%
Instructional Services	9,619,455	3,897,962	40.5%	8,097,109	3,606,419	44.5%
Online College	2,611,371	1,319,475	50.5%	2,407,647	1,199,341	49.8%
Student Services	11,488,717	4,274,071	37.2%	9,923,287	4,121,993	41.5%
Strategy, Planning & Institutional Effectiveness	5,989,197	2,652,825	44.3%	5,121,170	2,247,270	43.9%
Public Information, Communication & External Affairs	8,288,195	3,856,347	46.5%	8,129,618	3,111,852	38.3%
Legal & Compliance	16,201,382	10,895,330	67.2%	14,100,717	9,696,780	68.8%
Finance & Administration	68,262,219	38,978,601	57.1%	67,451,677	38,024,435	56.4%
System	95,381,384	39,953,575	41.9%	93,841,889	35,785,105	38.1%
<b>Grand Total</b>	<b>\$ 398,244,885</b>	<b>\$ 208,230,490</b>	<b>52.3%</b>	<b>\$ 378,379,782</b>	<b>\$ 192,663,613</b>	<b>50.9%</b>

# HOUSTON COMMUNITY COLLEGE SYSTEM

## Balance Sheet by Fund

As of March 31, 2024

	CURRENT & LOAN FUNDS <sup>1</sup>	PLANT & BOND FUNDS <sup>2</sup>	TOTAL ALL FUNDS	RESTATED PRIOR YEAR TOTAL ALL FUNDS
<b>ASSETS</b>				
Current Assets:				
Cash & cash equivalents	\$ 298,492,816	\$ 87,270,350	\$ 385,763,166	\$ 215,380,323
Short-term Investments	45,464,979	-	45,464,979	73,696,899
Accounts receivable (net)	28,941,164	837,170	29,778,334	25,237,456
Deferred charges	98,600	-	98,600	7,147,785
Prepays	10,247,035	-	10,247,035	11,347,398
Total Current Assets	383,244,594	88,107,520	471,352,114	332,809,861
Non-current Assets:				
Restricted cash & cash equivalents	-	27,130,216	27,130,216	35,805,948
Restricted long-term investments	-	17,725	17,725	18,268
Long-term investments	135,207,194	-	135,207,194	67,150,000
Long-term lease receivable	32,208,059	-	32,208,059	32,097,702
Capital assets, net	4,210,330	1,095,293,045	1,099,503,375	1,156,138,754
Total Non-current Assets	171,625,583	1,122,440,986	1,294,066,569	1,291,210,672
<b>Total Assets</b>	<b>\$ 554,870,177</b>	<b>\$ 1,210,548,506</b>	<b>\$ 1,765,418,683</b>	<b>\$ 1,624,020,533</b>
Deferred Outflows of Resources:				
OPEB	28,637,337	-	28,637,337	28,637,337
Pension	36,446,112	-	36,446,112	36,446,112
Advance Funding Valuation	-	1,826,885	1,826,885	1,826,885
Total Deferred Outflows of Resources	\$ 65,083,449	\$ 1,826,885	\$ 66,910,334	\$ 66,910,334
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 619,953,626</b>	<b>\$ 1,212,375,391</b>	<b>\$ 1,832,329,017</b>	<b>\$ 1,690,930,867</b>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable	12,721,147	618,572	13,339,719	12,570,107
Accrued Interest- SBITA	99,920	-	99,920	99,920
Accrued liabilities	701,610	17,701	719,311	7,805,749
Compensated absences	4,675,803	-	4,675,803	4,675,803
Funds held for others	2,761,708	189,208	2,950,916	834,820
Deferred revenue	688,283	-	688,283	36,644,040
SBITA- Current portion	2,998,203	-	2,998,203	2,998,203
Net OPEB liability-current portion	3,716,565	-	3,716,565	3,716,565
Notes payable-current portion	-	596,245	596,245	952,172
Bonds payable-current portion	-	19,853,000	19,853,000	44,005,000
Total Current Liabilities	28,363,239	21,274,726	49,637,965	114,302,379
Non-current Liabilities:				
SBITA Liability	1,017,835	-	1,017,835	1,017,835
Net OPEB liability	139,239,945	-	139,239,945	139,239,945
Net pension liability	94,677,214	-	94,677,214	94,677,214
Notes payable	-	2,252,830	2,252,830	2,252,830
Bonds payable	-	560,322,181	560,322,181	560,322,181
Total Non-current Liabilities	234,934,994	562,575,011	797,510,005	797,510,005
<b>Total Liabilities</b>	<b>\$ 263,298,233</b>	<b>\$ 583,849,737</b>	<b>\$ 847,147,970</b>	<b>\$ 911,812,384</b>
Deferred Inflows of Resources:				
Leases	32,823,459	-	32,823,459	31,158,110
OPEB	63,670,153	-	63,670,153	11,325,497
Pension	17,083,562	-	17,083,562	63,670,152
Advance Funding Valuation	-	11,325,497	11,325,497	17,083,562
Total Deferred Inflows of Resources	\$ 113,577,174	\$ 11,325,497	\$ 124,902,671	\$ 123,237,321
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>\$ 376,875,407</b>	<b>\$ 595,175,234</b>	<b>\$ 972,050,641</b>	<b>\$ 1,035,049,705</b>
<b>Beginning Fund Balances, Audited</b>	<b>71,817,161</b>	<b>584,064,001</b>	<b>655,881,162</b>	<b>576,161,614</b>
Net Revenue/(Expenses)				
Unrestricted	165,508,065	-	165,508,065	38,987,703
Restricted	5,752,993	-	5,752,993	1,032,274
Net Investment in Plant	-	33,136,157	33,136,157	39,699,571
<b>Ending Fund Balances</b>	<b>\$ 243,078,219</b>	<b>\$ 617,200,157</b>	<b>\$ 860,278,376</b>	<b>\$ 655,881,162</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 619,953,626</b>	<b>\$ 1,212,375,391</b>	<b>\$ 1,832,329,017</b>	<b>\$ 1,690,930,867</b>

<sup>1</sup> Includes Unrestricted, Restricted, Loan & Endowment, Scholarship, Agency and Auxiliary Funds.

<sup>2</sup> Includes Unexpended Plant, Retirement of Debt and Investment in Plant Funds.

# HOUSTON COMMUNITY COLLEGE SYSTEM

## Exemptions and Waivers Detail

As of March 31, 2024

	FY 2023		FY 2024	
	Prior Year Activity thru 8/31/2023	Year-to-Date Activity thru 03/31/2023	Year-to-Date Activity thru 03/31/2024	Actuals % Inc/(Dec)YTD vs. PriorYTD
<b>Tuition &amp; Fees</b>				
<b>Budget:</b>				
Adjusted Budget, Annual*	\$ 101,709,073	\$ 101,709,073	\$ 106,400,157	4.6%
<b>Revenues:</b>				
Gross Tuition & Fees	125,580,741	110,219,708	119,483,182	8.4%
<b>Waivers &amp; Exemptions:</b>				
Dual Credit & Early College HS	(15,135,959)	(13,795,762)	(15,176,627)	10.0%
Other	(2,089,199)	(1,692,193)	(2,183,309)	29.0%
Total Waivers & Exemptions	(17,225,158)	(15,487,955)	(17,359,936)	12.1%
<b>Total Tuition &amp; Fees Revenue, Net</b>	<b>\$ 108,355,583</b>	<b>\$ 94,731,753</b>	<b>\$ 102,123,246</b>	<b>7.8%</b>

<b>Tuition &amp; Fees - Extended Learning (EL)</b>				
<b>Budget:</b>				
Adjusted Budget, Annual*	\$ 5,758,835	\$ 5,758,835	\$ 4,862,714	-15.6%
<b>Revenues:</b>				
Gross Tuition & Fees	7,267,013	5,399,069	5,551,455	2.8%
<b>Waivers &amp; Exemptions:</b>				
Department of Corrections	-	-	-	0.0%
<b>Total EL Tuition &amp; Fees Revenue, Net</b>	<b>\$ 7,267,013</b>	<b>\$ 5,399,069</b>	<b>\$ 5,551,455</b>	<b>2.8%</b>

	FY 2023		FY 2024	
	Prior Year Activity thru 8/31/2023	Year-to-Date Activity thru 03/31/2023	Year-to-Date Activity thru 03/31/2024	Actuals % Inc/(Dec)YTD vs. PriorYTD
<b>Exemptions &amp; Waivers</b>				
Dept of Corrections	\$ -	\$ -	\$ -	0.0%
Dual Credit & Early College HS Waiver	15,135,959	13,795,762	15,176,627	10.0%
<b>Other Exemptions:</b>				
Employee Fee Exemptions	46,650	37,635	36,415	-3.2%
Firemen	16,517	14,724	25,309	71.9%
Hazelwood	889,335	708,788	917,400	29.4%
Deaf & Blind	177,125	144,750	132,273	-8.6%
High Ranking High School Grad	396	396	1,694	327.8%
Good Neighbor Program	43,101	43,101	65,230	51.3%
Child of Disabled Vet	-	-	2,865	0.0%
Employee of State College & University	-	-	1,995	0.0%
Non-resident Teach/Research Assistant	9,533	6,826	6,555	-4.0%
Non-resident Competitive Scholarships	17,528	16,245	13,823	-14.9%
Senior Citizens	355,907	288,960	371,433	28.5%
Foster Children-Resident	230,797	186,416	227,395	22.0%
Surviving Spouse/Children	5,160	3,104	1,589	-48.8%
Peace Officer Exemption	4,333	3,244	5,311	63.7%
Adopted Student Waiver	292,816	238,004	299,880	26.0%
FAST Book & OD Fees	-	-	74,142	0.0%
<b>Total Other Exemptions</b>	<b>2,089,198</b>	<b>1,692,193</b>	<b>2,183,309</b>	<b>29.0%</b>
<b>Grand Total Exemptions &amp; Waivers</b>	<b>\$ 17,225,157</b>	<b>\$ 15,487,955</b>	<b>\$ 17,359,936</b>	<b>12.1%</b>

\*Amount net of exemptions & waivers.

# REPORT ITEM

**Meeting Date:** May 1, 2024

**Topics For Discussion and/or Action:**

ITEM #	ITEM TITLE	PRESENTER
B.	Report on FY2025 Budget Development - Board Budget Workshop #5: Overview of All Proposed FY 2025 Budgets	Dr. Margaret Ford Fisher Jacob Atkin

## DISCUSSION

FY 2025 budget discussion to continue the Board's planning and budget development process, present HCC's FY 2025 planning and budget development for all funds.

## COMPELLING REASON AND BACKGROUND

- This workshop reviews and presents the funding scenarios for the Unrestricted Fund Revenue and Expense Budget, and the proposed budgets for the Auxiliary Budget, Restricted Budget, and Capital and Technology Budget
- With guidance from the Board, a final budget will be developed and presented at the June 5, 2024 Board Meeting.

## FISCAL IMPACT

The final budget of the college 2024-2025 will provide the funding for all college operations.

## LEGAL REQUIREMENT

Section 51.0051, Annual Operating Budgets, Texas Education Code, provides that "the governing board of each institution shall approve on or before September 1 of each year an itemized budget covering the operation of the institution for the fiscal year beginning on September 1 of each year."

## STRATEGIC ALIGNMENT

*1. Student Success, 5. College of Choice*

### ATTACHMENTS:

Description	Upload Date	Type
FY2025 Budget Workshop #5 Presentation	4/24/2024	Presentation

**This item is applicable to the following:**

Central, Coleman, Northeast, Northwest, Southeast, Southwest, District, Online



# **HCCS Operating Budget Board Workshop #5: Overview of All Proposed FY 2025 Budgets**

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Margaret Ford Fisher, Ed.D., Chancellor

Jacob Atkin, CPA, Interim Vice Chancellor, Finance

May 1, 2024

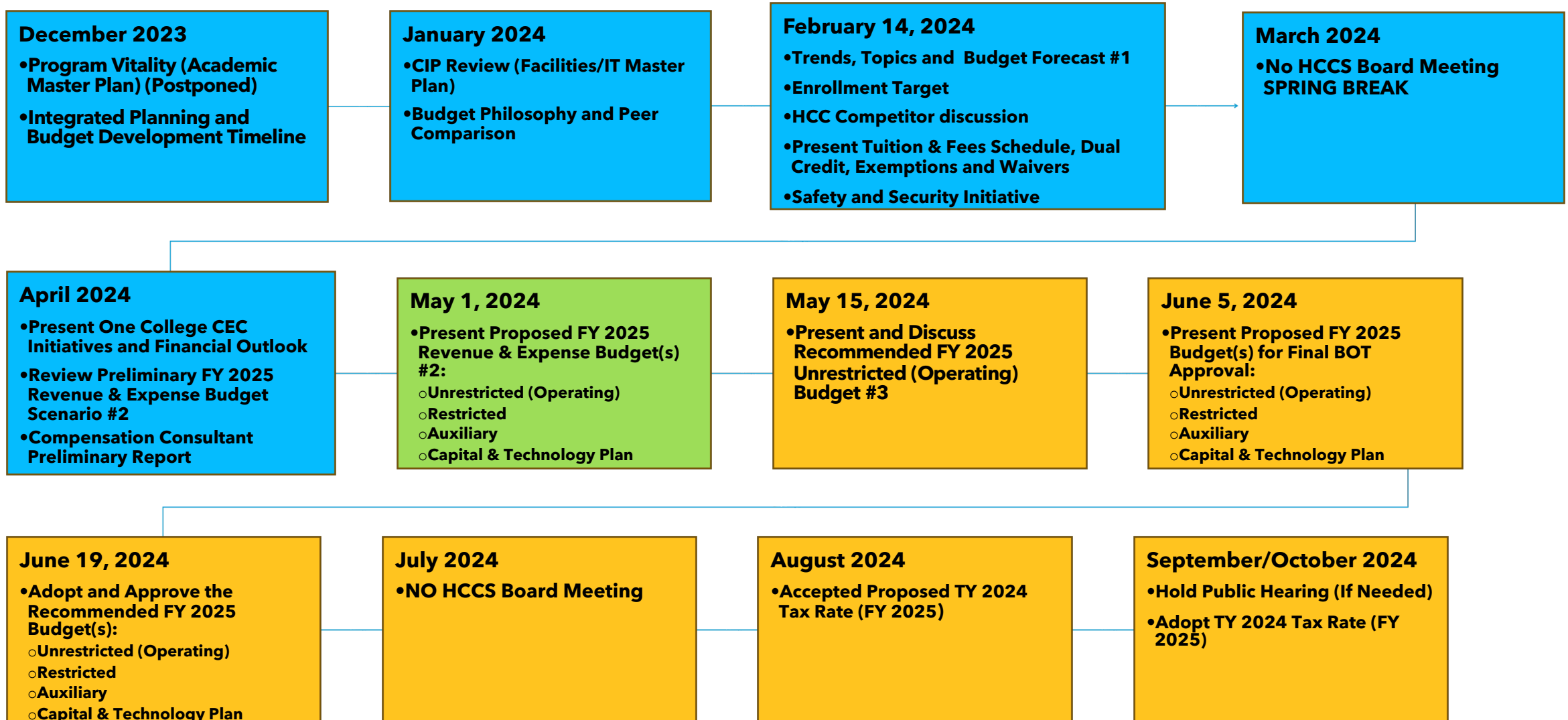
# Purpose of Presentation

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Present to Board of Trustees HCCS FY 2025 budgets for the Unrestricted (Operating), Auxiliary, Restricted and Capital and Technology Budgets and receive Board of Trustees feedback

- FY 2025 Budget Scenarios
- FY 2025 Proposed Unrestricted (Operating) Budget
- FY 2025 Proposed Auxiliary Budget
- FY 2025 Proposed Restricted Budget
- FY 2025 Proposed Capital and Technology Plan Budget
- Obtain Board of Trustees FY 2025 Budget approval at June 2024 Board of Trustee Meeting

# Integrated Planning and Budget Development Timeline for BOT Review, Discussion and Comments



# FY 2024 Operating (Unrestricted) Budget

(In Thousands)

	FY 2024 Approved Budget	% of Total	FY 2024 Projection @ 08/31/2024	% of Total	Increase (Decrease) vs FY2024 Budget	% Increase (Decrease)
<b>Revenues</b>						
State Appropriations	\$ 68,550	17%	\$ 68,136	16%	\$ (414)	-1%
Ad Valorem Taxes	205,736	52%	207,765	48%	2,029	1%
Tuition & Fees, Net	111,263	28%	123,569	28%	12,306	11%
Other Local Income	5,650	1%	27,875	6%	22,225	393%
<b>Total Revenue</b>	<b>\$ 391,199</b>	<b>98%</b>	<b>\$ 427,345</b>	<b>98%</b>	<b>\$ 36,146</b>	<b>9%</b>
Fund Balance Usage (Deferred Maintenance)	7,046	2%	7,046	2%	-	0%
<b>Total Revenue</b>	<b>\$ 398,245</b>	<b>100%</b>	<b>\$ 434,391</b>	<b>100%</b>	<b>\$ 36,146</b>	<b>9%</b>

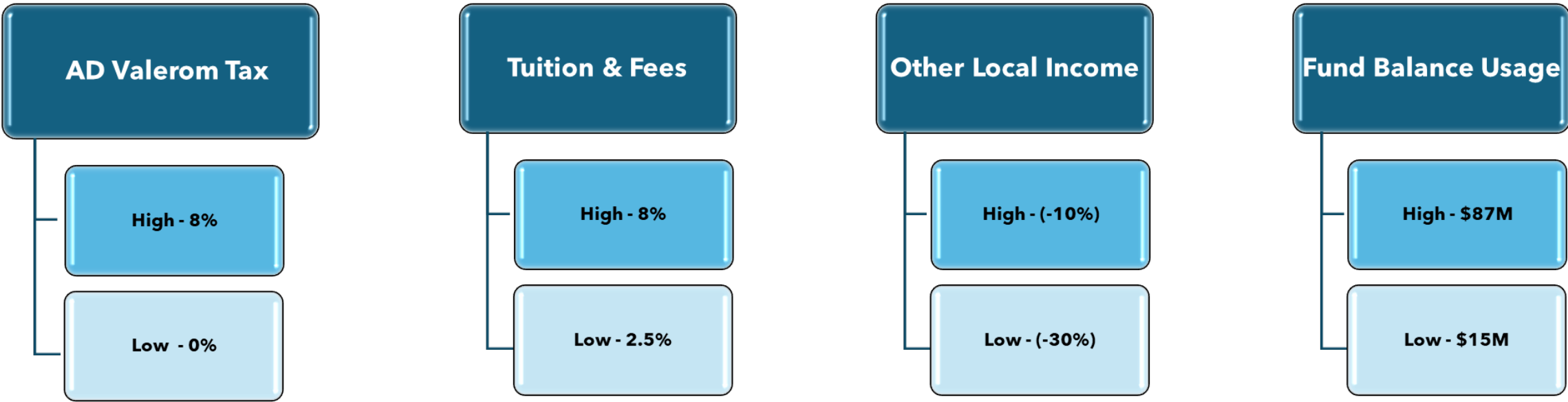
	FY 2024 Approved Budget	% of Total	FY 2024 Projection @ 08/31/2024	% of Total	Increase (Decrease) vs FY2024 Budget	% Increase (Decrease)
<b>Expenses</b>						
Salaries	\$ 237,315	60%	\$ 237,315	60%	\$ -	0%
Allowance for Vacancies	(1,900)	0%	(1,900.00)	0%	-	0%
Benefits	35,128	9%	35,128	9%	-	0%
Other (Non-Payroll)	85,839	22%	85,839	22%	-	0%
Transfers	19,547	5%	19,547	5%	-	0%
Debt Service	21,626	5%	21,626	5%	-	0%
Scholarships	690	0%	690	0%	-	0%
<b>Total Operating Expenses</b>	<b>\$ 398,245</b>	<b>100%</b>	<b>\$ 398,245</b>	<b>100%</b>	<b>\$ -</b>	<b>0%</b>

<b>Net Revenue</b>	<b>\$ (0)</b>	<b>\$ 36,146</b>
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# FY 2025 Operating (Unrestricted) Revenue Budget - Decision

(In Thousands)



# Operating Revenue: State Appropriations Preliminary Budget

(In Thousands)

State Appropriations:	
FY 2024 State Appropriations	\$ 68,135
Estimated increase due to new funding formula <sup>1</sup>	108
<b>Total FY 2025 State Appropriations</b>	<b>\$ 68,243</b>

<sup>1</sup>Based on Hold Harmless provision and a 5% increase FAST funding  
No other funding scenarios

# Operating Revenue: Ad Valorem Taxes Preliminary Budget

(In Thousands)

	Option A	Option B	Option C	Option D
Ad Valorem Taxes:	8%	5%	3%	0%
FY 2024 Budget	\$ 205,736	\$205,736	\$ 205,736	\$ 205,736
Increase in revenue due to increase certified tax base	2,029	2,029	2,029	2,029
Total FY 2024 Ad Valorem Tax Revenue Projection	\$ 207,765	\$207,765	\$ 207,765	\$ 207,765
FY 2025 Changes in Tax Revenue	\$ 16,621	\$ 10,388	\$ 6,233	\$ -
Total FY 2025 Ad Valorem Tax Revenue	\$ 224,386	\$218,153	\$ 213,998	\$ 207,765

	Option A	Option B	Option C	Option D
Tax Revenue Incr	8%	5%	3%	0%
Property Value Increase	1.06	1.06	1.06	1.06
Estimated Rate Change*	\$ 0.091044	\$ 0.088903	\$ 0.087475	\$ 0.085333
%chg in Rate	-1.29%	-3.61%	-5.16%	-7.48%
Estimated Revenue Change	\$ 16,621,204	\$ 10,388,252	\$ 6,266,451	\$ -

\*This rate is only an estimate based on current property valuations and will change when certified rolls are received. The current tax rate is \$0.092231.

# Operating Revenue: Tuition and Fees Preliminary Budget

(In Thousands)

	Option A	Option B	Option C	Option D
Tuition & Fees:	8%	5%	3%	3%
FY 2024 Tuition & Fees - Budgeted	\$ 111,263	\$ 111,263	\$ 111,263	\$ 111,263
Estimated Revenue Increase Compared to Budget - SCH	10,561	10,561	10,561	10,561
Estimated Revenue Increase Compared to Budget - CEU/NR	1,745	1,745	1,745	1,745
Total FY 2024 Tuition and Fees End of Year Projection	\$ 123,569	\$ 123,569	\$ 123,569	\$ 123,569
FY 2025 Tuition & Fee Estimates:				
Change in SCH	9,357	5,848	3,509	167
Change in CEU	528	330	198	198
Total FY 2025 Tuition & Fee Estimates	\$ 133,454	\$ 129,747	\$ 127,276	\$ 123,934

	Option A	Option B	Option C	Option D
Tuition Rate ID/OD/OS	0%	0%	0%	-5%
Target Enrollment Increase	8%	5%	3%	3%

# Operating Revenue: Other Local Income Preliminary Budget

(In Thousands)

Other Local Income:	Option A	Option B	Option C	Option D
	-10%	-20%	-30%	-30%
FY 2024 Other Local - Budgeted	\$ 5,650	\$ 5,650	\$ 5,650	\$ 5,650
Estimated Revenue Increase Compared to Budget	22,225	22,225	22,225	22,225
Total FY 2024 Other Local End of Year Projection	\$ 27,875	\$ 27,875	\$ 27,875	\$ 27,875
FY 2025 Other Local Estimates:				
Investment Changes	\$ (2,705)	\$ (5,430)	\$ (8,154)	\$ (8,154)
Total FY 2025 Other Local Estimates	\$ 25,170	\$ 22,445	\$ 19,721	\$ 19,721

# Operating Expense: Fund Balance Usage Preliminary Budget

(In Thousands)

Fund Balance Use:		
FY 2024 Fund Balance Use, Budgeted	\$	7,046
Estimated Increase <sup>1</sup>		7,954
Total FY 2024 Fund Balance Use	\$	15,000

<sup>1</sup>Fund Balance Usage \$15M Deferred Maintenance(\$8M increase vs FY 2024)  
Deferred Maintenance has been traditionally been funded out of Fund Balance.  
Currently there is 350 days of cash on hand (\$289M of cash on hand), of which \$147M is in excess of the required 180 days of cash on hands. See HCC Policy: CD (Local).

# FY 2025 Unrestricted (Operating) Revenue Budget Scenarios

(In Thousands)

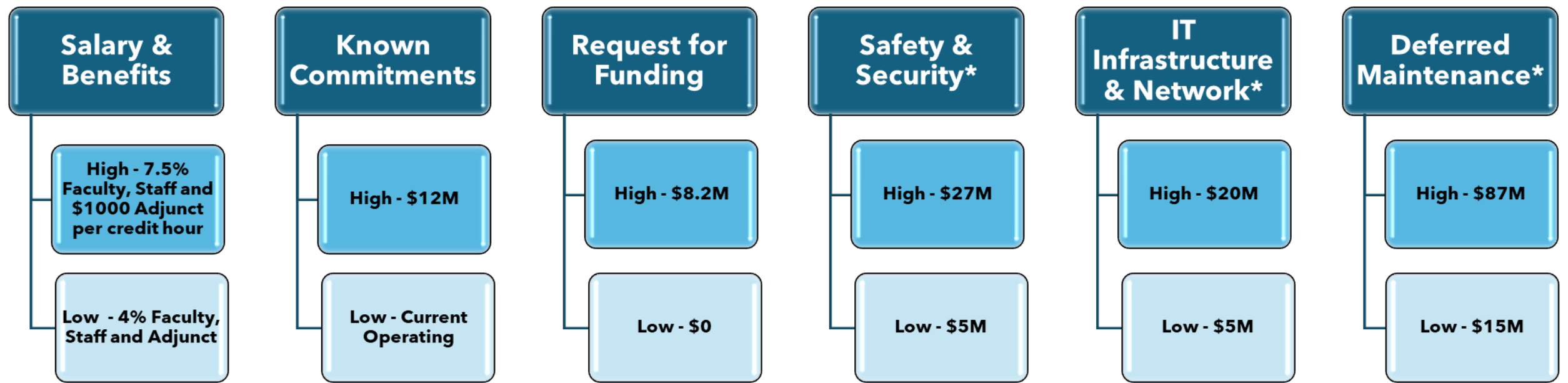
Current Year		Option A			Option B			Option C			Option D		
Revenue	FY 2024 Revenue Projections	Revenue	% of Total Revenue	% Increase (Decrease) Compared to Prior Year	Revenue	% of Total Revenue	% Increase (Decrease) Compared to Prior Year	Revenue	% of Total Revenue	% Increase (Decrease) Compared to Prior Year	Revenue	% of Total Revenue	% Increase (Decrease) Compared to Prior Year
State Appropriations	\$ 68,135	\$ 68,243	15%	0%	\$ 68,243	16%	0%	\$ 68,243	15%	0%	\$ 68,243	16%	0%
Ad Valorem Taxes	207,765	224,386	48%	8%	218,153	50%	5%	213,998	48%	3%	207,765	48%	0%
Tuition and Fees, Net	116,961	126,318	27%	8%	122,809	28%	5%	120,470	27%	3%	117,128	27%	0%
Tuition & Fee -- CEU/CT/Non Credit	6,608	7,137	2%	8%	6,939	2%	5%	6,806	2%	3%	6,806	2%	3%
Other Local Income	27,245	24,520	5%	-10%	21,796	5%	-20%	19,071	4%	-30%	19,071	4%	-30%
Grant Revenue	631	650	0%	3%	650	0%	3%	650	0%	3%	650	0%	3%
Total Revenue	\$ 427,345	\$451,254	97%	0%	\$438,590	97%	3%	\$ 429,238	97%	0%	419,663	97%	-2%
Designated Fund Balance Transfers	7,046	15,000	3%	113%	15,000	3%	113%	15,000	3%	113%	15,000	3%	113%
Total Revenue and Designated Fund Balance Transfers	\$ 434,391	\$466,254	100%	7%	\$453,590	100%	4%	\$ 444,238	100%	2%	\$434,663	100%	0%

# FY 2025 OPERATING EXPENSE BUDGET SCENARIOS



# FY 2025 Operating (Unrestricted) Expense Budget - Decisions

(In Thousands)



\*Can be funded with fund balance

# Operating Expense: Salaries and Benefits Preliminary Budget

(In Thousands)

Salary:	Option A	Option B	Option C	Option D
FY 2024 Salaries, Budgeted	\$ 237,315	\$ 237,315	\$ 237,315	\$ 237,315
Allowance for Vacancies	(5,000)	(5,000)	(5,000)	(5,000)
Faculty FT	5,905	5,905	5,905	3,149
Staff FT	9,044	4,823	4,823	4,823
Faculty PT	7,340	7,323	7,323	1,200
Staff PT	599	321	321	321
Known Commitments Additions	1,523	1,523	1,523	1,523
Total Adjustments	\$ 19,411	\$ 14,894	\$ 14,894	\$ 6,016

Total FY 2025 Salary Budget	\$ 256,726	\$ 252,209	\$ 252,209	\$ 243,331
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Salary Recommendation	Option A	Option B	Option C	Option D
Faculty FT	7.5%	7.5%	7.5%	4.0%
Staff FT	7.5%	4.0%	4.0%	4.0%
Faculty PT	Adjunct \$1000 increase per credit hour	Adjunct \$1000 increase per credit hour	Adjunct \$1000 increase per credit hour	4.0%
Staff PT	7.5%	4.0%	4.0%	4.0%

Benefit:	Option A	Option B	Option C	Option D
FY 2024 Benefits, Budgeted	\$ 35,128	\$ 35,128	\$ 35,128	\$ 35,128
Benefits costs and inflation increase	2,770	2,138	2,138	895
Benefits costs related to commitments	213	213	213	213
Total Adjustments	\$ 2,983	\$ 2,351	\$ 2,351	\$ 1,108

Total FY 2025 Benefits Budget	\$ 38,111	\$ 37,479	\$ 37,479	\$ 36,236
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# Operating Expense: Known Commitments Preliminary Budget

(In Thousands)

Known Commitments	Amount
Board Support	\$ 90
Compliance/Accreditation	2,094
Contractual Agreement	5,516
Ongoing Commitment	276
Ongoing Instructional Commitment	2,325
Preventive Maintenance	1,091
Professional Development	38
Student Support	649
Benefits	213
<b>Total Known Commitments</b>	<b>\$ 12,293</b>

- **Change from April Presentation**

- Contract change for Utilities, \$2.7M
- FAST Program Books Reimbursement, \$500K
- WCAG Compliance software and FTEs, \$377K
- Contract changes for Banking, \$206K
- Increase Benefits for salary changes, \$192K
- Alumni Affairs Budget, \$168K
- Increase Graduation budget, \$105K

# Operating Expense: Major Expense Preliminary Budget

(In Thousands)

## Deferred Maintenance Projects

College	#of Projects	Total Repair Costs by College	Total Repair Costs by College with Priority 1,2,5
Central College	106	\$ 22,947	\$ 18,086
Coleman College	13	5,446	5,001
District Administration	27	38,732	29,478
Northeast College	65	20,144	7,050
Northwest College	63	32,682	12,759
Southeast College	27	3,858	3,070
Southwest College	55	14,605	11,597
<b>Grand Total</b>	<b>356</b>	<b>\$ 138,413</b>	<b>\$ 87,041</b>

Note: All these projects are the remaining major deficiencies identified in 2019 Facilities Assessment Report

# Operating Expense: Major Expense Preliminary Budget

(In Thousands)

## Safety and Security Projects

Project	Project Description	Estimated Cost				
		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Upgrade classroom and office locks.	Detailed specifications of hardware needed for each door in each building has been created. Solicitation process initiated.	\$ 1,800	\$ -			
Public Address System Upgrades	Rough estimate based upon purchase and installation of public address speakers with visual displays. (1,800@\$1,650)	\$ 500	\$ 2,500			
Panic Alarms	Rough estimate based upon purchase and installation of panic alarms. (200@\$550 each)		\$ 100			
Security System Infrastructure replacement of security system gateways, controllers, & software to integrate cameras, card readers, and	Construction documents needed for bid package are completed. Cost estimates based upon detailed construction documents to replace existing infrastructure. Existing card readers, cameras and alarms will		\$ 2,650	\$ 2,650		
Correction of high impact but low-cost deficiencies identified through internal audit of compliance with Texas School Safety Center standards.	Rough Estimate assuming multiple < \$100k projects.		\$ 1,000			
Video Management System Replacement	Purchase and installation of a modern video surveillance system to allow real-time monitoring of cameras by security staff.			\$ 1,000		
Campus lighting assessment and upgrades	Will require numerous projects addressing lighting campus by campus.			\$ 1,667	\$ 1,667	\$ 1,667
Emergency "blue" phones - replacement of existing phones and installation of additional	Will require an assessment of available options.			\$ 300	\$ 300	\$ 300
Access Control Enhancements e.g. additional card access controls for doors and parking lots, addition of new cameras and alarms, replacement of end-of-life cameras, card readers, and alarms.	Rough estimate based on preliminary plans for expansion of access controls and surveillance/security systems.				\$ 5,500	\$ 5,500
Total Per Year		\$ 2,300	\$ 6,250	\$ 5,617	\$ 7,467	\$ 7,467
Total Recommended Budget for Safety and Security Projects		\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000

# Operating Expense: Major Expense Preliminary Budget

(In Thousands)

## IT and Network Projects

Technology Replacement Plan	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
Received FY2024  Forcasted Budget Amounts	\$ 5,937	\$ 6,906	\$ 6,286	\$ 7,529	\$ 7,530	\$ 7,985
Network Equipment (Routers, Switches, Wireless Access Points, Firewalls, Security Appliances, Super Cluster Upgrade)	2,971	3,814	4,385	870	105	700
Server Replacement (7-8 year life)	800	200	300	300	1,050	900
UPS Battery Replacement (5 year max life)	80	50	100	200	215	225
Telecom (Telephones/Infrastructure)	-	204	218	-	-	-
Computer Replacement (4 year life)	4,089	4,089	5,644	5,644	5,644	5,644
Classroom Technology (A/V)	412	516	516	516	516	516
Total Required Funding	8,353	8,873	11,162	7,529	7,530	7,985
Accumulated Unfunded Total From Previous FY	8,327	13,161	10,127	10,004	5,004	4
Total Recommended Budget for IT Infrastructure	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ -

# Operating Expense: Funding Requests Preliminary Budget

(In Thousands)

Description	Amount
Instructional Services Support	\$ 2,500
Advising Software	786
Dual Credit Support	1,100
Coleman Student Parking	700
Coleman Assoc. Degree Nursing Waivers (100 students)	850
Police Safety and Security	2,330
<b>Total FY 2025 Funding Requests</b>	<b>\$ 8,266</b>

# FY 2025 Unrestricted (Operating) Expense Budget Scenarios

(In Thousands)

	Option A		Option B		Option C		Option D	
Description	Expenses	% of Change	Expenses	% of Change	Expenses	% of Change	Expenses	% of Change
Base Budget	\$ 398,199		\$ 398,199		\$ 398,199		\$ 398,199	
Compensation Recommendation:								
Faculty FT	5,663	7.5%	5,663	7.5%	5,663	7.5%	3,020	4.0%
Staff FT	9,285	7.5%	5,065	4.0%	5,065	4.0%	4,952	4.0%
Faculty PT	7,304	24.7%	7,304	24.7%	7,304	24.7%	1,181	4.0%
Staff PT	635	7.5%	338	4.0%	338	4.0%	338	4.0%
Compensation Recommendation	\$ 22,887	9.6%	\$ 18,370	7.7%	\$ 18,370	7.7%	\$ 9,492	4.0%
Allowance for Vacancies	(3,100)		(3,100)		(3,100)		(3,100)	
Employee Benefits	2,770		2,138		2,138		895	
Known Commitments	12,293		12,293		12,293		12,293	
Total Budget Increases	\$ 34,850		\$ 29,701		\$ 29,701		\$ 19,580	
Total FY 2025 Expenses	\$ 433,049	8.8%	\$ 427,900	7.5%	\$ 427,900	7.5%	\$ 417,779	4.9%
IT Network/Infrastruture	5,000		5,000		5,000		5,000	
Deferred Maintenance	6,812		6,812		6,812		6,812	
Safety & Security	5,000		5,000		5,000		5,000	
Instructional Services Support	2,500		2,500		2,500		2,500	
Advising Software	786		786		786		786	
Dual Credit Support	1,100		1,100		1,100		1,100	
Coleman Student Parking	700		700		700		700	
Coleman Assoc. Degree Nursing Waivers (100 students)	850		850		850		850	
Police Safety and Security	2,330		2,330		2,330		2,330	
Total Funding Requests	\$ 25,078		\$ 25,078		\$ 25,078		\$ 25,078	
Total FY 2025 Expenses Plus Funding Requests	\$ 458,126	15.0%	\$ 452,977	13.8%	\$ 452,977	13.8%	\$ 442,856	11.2%

# FY 2025 PROPOSED OPERATING BUDGET SCENARIO



# FY 2025 Operating (Unrestricted) Budget – Proposed Option A

(In Thousands)

Note: The BOT needs to determine how much revenue needed to cover the Operating Expenses  
Revenue and Fund Balance will allow us to address budget

	FY 2024 Approved Budget	% of Total	FY 2024 Projection @ 08/31/2024	% of Total	FY 2025 Budget Estimate	% of Total	Increase (Decrease) Compared to FY2024 Projections	% Increase (Decrease)
Revenues								
State Appropriations	\$ 68,550	17%	\$ 68,136	16%	\$ 68,243	15%	\$ 107	0%
Ad Valorem Taxes	205,736	52%	207,765	48%	224,386	48%	16,621	8%
Tuition & Fees, Net	111,263	28%	123,569	28%	133,455	29%	9,886	8%
Other Local Income	5,650	1%	27,875	6%	25,170	5%	(2,705)	-10%
Total Revenue	\$ 391,199	98%	\$ 427,345	98%	\$ 451,254	97%	\$ 23,909	6%
Fund Balance Usage (Deferred Maintenance)	7,046	2%	7,046	2%	15,000	3%	7,954	113%
Total Revenue	\$ 398,245	100%	\$ 434,391	100%	\$ 466,254	100%	31,863	7%
Expenses								
	FY 2024 Approved Budget	% of Total	FY 2024 Projection @ 08/31/2024	% of Total	FY 2025 Budget Estimate	% of Total	Increase (Decrease) vs FY2024 Budget	% Increase (Decrease)
Salaries	\$ 237,315	60%	\$ 237,315	60%	\$ 261,726	57%	\$ 24,411	10%
Allowance for Vacancies	(1,900)	0%	(1,900)	0%	(5,000)	0%	(3,100)	0%
Benefits	35,128	9%	35,128	9%	38,111	8%	2,984	8%
Other (Non-Payroll)	85,839	22%	85,839	22%	95,949	21%	10,111	12%
Transfers	19,547	5%	19,547	5%	19,547	4%	-	0%
Debt Service	21,626	5%	21,626	5%	21,626	5%	-	0%
Scholarships	690	0%	690	0%	1,090	0%	400	58%
Subtotal Operating Expenses	\$ 398,245	100%	\$ 398,245	100%	\$ 433,050	95%	\$ 34,804	9%
IT Network/Infrastructure					\$ 5,000	1%	\$ 5,000	
Deferred Maintenance					6,812	1%	6,812	
Safety & Security					5,000	1%	5,000	
Instructional Services Support					2,500	1%	2,500	
Advising Software					786	0%	786	
Dual Credit Support					1,100	0%	1,100	
Coleman Student Parking					700	0%	700	
Coleman Assoc. Degree Nursing Waivers (100 students)					850	0%	850	
Police Safety and Security					2,330	1%	\$ 2,330	
Total Initiatives	\$ -		\$ -		\$ 25,078	5%	\$ 25,078	6%
Total Operating Expenses	\$ 398,245		\$ 398,245		\$ 458,127	100%	\$ 59,882	15%
Net Revenue	\$ (0)		\$ 36,146		\$ 8,127			

# FY 2025 PRELIMINARY PROPOSED AUXILIARY BUDGET



# FY 2025 Proposed Auxiliary Budget

(In Thousands)

- Budget Input:
- **Fees** based on 5% increase in enrollment
  - **Leases & Rentals** based on new contracts and increase rental rates for additional square footage for existing tenants
  - **Other Local** increase in rental activity
  - **Fund Balance Usage** Athletic and Student services request to utilize to purchases equipment
  - **Salaries and associated benefits** 4% (merit 2%/COLA 2%) increase; 3.5% additional increase for staff
  - **Non-Payroll** increase in daily operating expenses
  - **Scholarship Distribution** increase due to an increase in Honor's College Scholarship

Description	FY 2024		FY 2024 Projections	FY 2025		Increase/ (Decrease)	% Increase/ (Decrease)
	Adjusted Budget	% of Total		Recommended Budget	% of Total		
Fees	\$ 1,570	20%	\$ 1,681	\$ 1,765	20%	\$ 195	12%
Leases & Rentals	5,082	65%	4,461	5,421	63%	340	7%
Bookstore Commission	1,000	13%	1,128	1,000	12%		0%
Other Local Income	134	2%	322	256	3%	122	91%
Fund Balance Use	65	1%	65	200	2%	135	0%
Total Auxiliary Revenues	\$ 7,851		\$ 7,657	\$ 8,643		\$ 792	10%
Salaries	\$ 1,150	15%	\$ 946	\$ 1,267	15%	\$ 116	10%
Employee Benefits	196	2%	168	215	2%	19	10%
Non-Payroll	4,994	64%	4,291	5,351	62%	356	7%
Scholarship Distribution	1,510	19%	1,510	1,810	21%	300	20%
Total Auxiliary Expenditures	\$ 7,851		\$ 6,915	\$ 8,643		\$ 792	10%
Net Revenue/(Expenses)	\$ (0)		\$ 742	\$ (0)		\$ (0)	

# FY 2025 PRELIMINARY PROPOSED RESTRICTED BUDGET



# FY 2025 Proposed Restricted Budget

(In Thousands)

- Budget Input:
- **Federal Grant** Increase in federal funding to new grants
  - **State Grants** increase is due to receipt of two new TRUE grant fundings from THECB
  - **City/Other** increase due to a higher estimate for FY25 for Goldman Sachs and Community Health Choice grants and three new private grants
  - **Student Financial Aid** increase \$5M due to State of Texas increase in TEOG funding for all educational institutions in the state
  - **State Funded Staff Benefits** no changes to benefits

- Expenses:
- **Student Services** decrease due to Dept of State – Northern Virginia federal grant ending
  - **Instruction/Workforce Development** increased by \$1.2M due to new USDA, Textbooks and City of Houston grants
  - **Student Aid** HCCS state allocation of TEOG increased by \$5M
  - **Community Service** increase by \$23K due to new Adult Ed Program – AI Civics grant

	FY 2024 Original Budget	FY 2025 Recommended Budget	Increase (Decrease)	% Increase (Decrease)
<b>Grants Revenue:</b>				
<b>Federal</b>	\$ 9,721	\$ 10,261	\$ 540	6%
<b>State</b>	376	630	254	68%
<b>City/Other</b>	1,310	1,650	340	26%
<b>Student Financial Aid</b>	107,466	112,460	4,994	5%
<b>Total Grant Revenues</b>	\$ 118,873	\$ 125,001	\$ 6,128	5%
<b>Stated Funded Staff Benefits:</b>				
<b>Group Insurance State Contribution</b>	\$ 15,100	\$ 15,100	-	0%
<b>State Retirement</b>	4,500	4,500	-	0%
<b>Total Stated Funded Benefits</b>	\$ 19,600	\$ 19,600	\$ -	0%
<b>Total Available Funding</b>	\$ 138,473	\$ 144,601	\$ 6,128	4%
<b>Expenses:</b>				
<b>Student Services</b>	\$ 1,714	\$ 1,585	\$ (129)	-8%
<b>Instruction/Workforce Development</b>	3,088	4,328	1,240	40%
<b>Student Aid</b>	107,466	112,460	4,994	5%
<b>Community Service</b>	6,605	6,628	23	0%
<b>Staff Benefits</b>	19,600	19,600	-	0%
<b>Total Restricted Expenditures</b>	\$ 138,473	\$ 144,601	\$ 6,128	4%
<b>Net Revenue/(Expenses)</b>	\$ -	\$ -	\$ -	

# FY 2025 PRELIMINARY PROPOSED CAPITAL & TECHNOLOGY PLAN BUDGET



# FY 2025 Proposed Capital & Technology Plan Budget

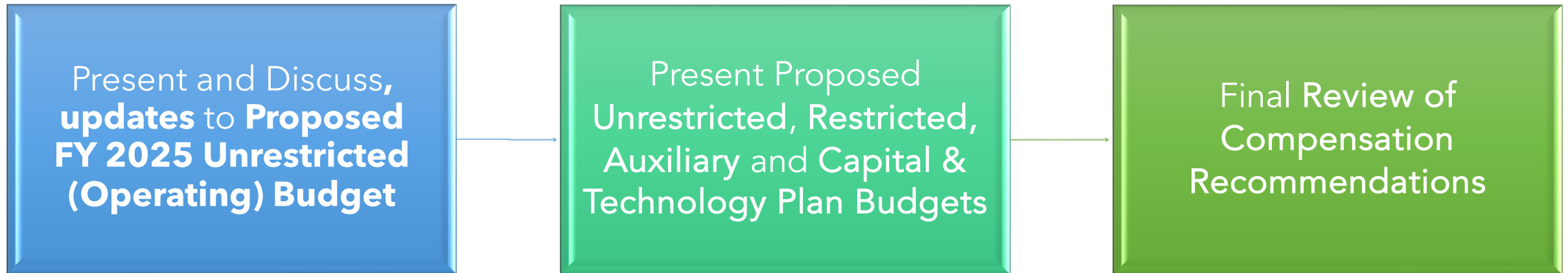
(In Thousands)

DESCRIPTION	Fund	Approved	Projected	Proposed	Increase/ (Decrease)	%Increase/ (Decrease)
		Budget FY 2024	Spend FY 2024	Budget FY 2025		
Upgrade/Replacement of IT Equipment	7180	\$ 5,937	\$ 5,937	\$ 6,363	\$ 426	7%
Upgrade/Replacement of Security Technology	7181	376	376	424	48	13%
Upgrade/Replacement of Instructional Equipment	7182	987	987	1,113	126	13%
Total Capital and Technology Plan		\$ 7,300	\$ 7,300	\$ 7,900	\$ 600	8%

Budget Input:

- Tech Fees increase for FY 2025 due to estimated increased enrollment, 5%
- FY 2025 includes \$2.6M transfer from Operating fund

# Preparation for Next Budget Workshop (May 15, 2024)



# Thank You