



AGENDA

BOARD OF TRUSTEES REGULAR MEETING

**December 3, 2025
4:00 PM**

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

**NOTICE OF A REGULAR MEETING
OF THE BOARD OF TRUSTEES
HOUSTON CITY COLLEGE**

December 3, 2025

Notice is hereby given that a Regular Meeting of the Board of Trustees of the Houston City College will be held on Wednesday, December 3, 2025 at 4:00 PM, or after, and from day to day as required, 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 Chair or Board and items listed for closed session discussion may be discussed and/or approved in open session and vice versa as permitted by law.

I. Call to Order

II. Prayer and Pledge of Allegiance

III. Approval of Minutes

- A. Approval of Minutes for November 2025

IV. Awards, Presentations, and Recognitions

- A. Check Presentation by Trehen Family
- B. Check presentation by the Assistance League of Houston

V. Chair's Report

- A. Trustees District Report

VI. Chancellor's Report

- A. United Student Council Report
- B. Faculty Senate Report
- C. Staff Senate Report

VII. Hearing of Citizens

VIII. Consent Agenda

1. Acceptance of Donated Item by J-Tech Digital
2. Acceptance of Donated Item by BMC Software
3. Proposed New Awards: Biotechnology Laboratory Sciences A.A.S., Biotechnology Laboratory Sciences, Level 2 Certificate, and Biotechnology Laboratory Sciences, Level 1 Certificate
4. Proposed New Awards: Aviation Maintenance Technology-Airframe, A.A.S & Aviation Maintenance Technology-Powerplant, A.A.S., Aviation Maintenance Technology - General, Level 1 Certificate

5. Annual Comprehensive Financial Report and Independent Audit Report for the Fiscal Year Ended August 31, 2025
6. Proposed Revisions to BE (Local) Policy and Bylaw Development
7. Proposed Revisions to CAK (LOCAL) Appropriations and Revenue Sources: Investments
8. Proposed Revisions to BFA (Local) and DLA (Local) - SB 37 Related Policies
9. Proposed Revisions to DC (Local) Employment Practices (SB 37 Related)
10. Proposed Revisions to DGBA (Local) Personnel Management Relations: Employee Grievances (SB 37-Related)
11. Proposed Revisions to DIAA (Local) and DIAB (Local) - SB 37 Related Policies
12. Proposed Revisions to DMAA (Local) and DMAB (Local) - SB 37-Related Policies
13. Proposed New Policy EFAA (Local) Instructional Programs and Courses: Academic Courses (SB 37 Related)
14. Monthly Investment Report, Financial Statement and Budget Review for October 2025

IX. Topics for Discussion and/or Action

- A. Moving, Relocation and Storage Services (Project No. RFP-C 25-47)
- B. Building Envelope Consulting Services (Project No. RFQ 25-42)
- C. Re-Commissioning and Retro Commissioning Services (Project No. RFQ 25-43)
- D. Personnel Agenda - Faculty
- E. Review of Level Four Complaint - Employee 1

X. 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.

1. Review of Level Four Complaint - Employee 1

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.

1. Real Estate Opportunities Update

XI. 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.

XII. Reconvene in Open Meeting

XIII. Adjournment

XIV. Appendix - No Action Required

CERTIFICATE OF POSTING OR GIVING NOTICE

On this **21st day of November 2025**, 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 City College, 3100 Main, First Floor, Houston, Texas 77002 and (2) the Houston City College's website: www.hccs.edu.

Posted By:

Sharon R. Wright
Director, Board Services

REPORT ITEM

Meeting Date: December 3, 2025

Approval of Minutes

ITEM #	ITEM TITLE	PRESENTER
A.	Approval of Minutes for November 2025	Dr. Margaret Ford Fisher Sharon Wright

RECOMMENDATION

The minutes for November 2025 will be presented for approval at the Regular meeting in January 2026.

COMPELLING REASON AND BACKGROUND

In accordance with the Board bylaws, the Board shall prepare and keep minutes of each open meeting.

The following Board meetings were held in November 2025:

- Academic and Student Affairs Committee on November 5, 2025
- Audit Committee on November 5, 2025
- Board Governance Committee on November 5, 2025
- Committee of the Whole on November 5, 2025
- Marketing Committee on November 5, 2025
- Special Meeting on November 5, 2025
- Special Meeting on November 17, 2025
- Regular Meeting on November 19, 2025

The November 2025 meeting minutes will be presented for approval at the Regular meeting in January 2026.

LEGAL REQUIREMENT

In accordance to Board Bylaws, Article G, Section 9

STRATEGIC ALIGNMENT

1. Student Success

This item is applicable to the following: District

ACTION ITEM

Meeting Date: December 3, 2025

Consent Agenda

ITEM #	ITEM TITLE	PRESENTER
1.	Acceptance of Donated Item by J-Tech Digital	Dr. Margaret Ford Fisher Dr. Butch Herod

RECOMMENDATION

Acceptance of the following donated items on behalf of J-Tech Digital:

- Donated Point Tilt Zoom (PTZ) Cameras for the Smart Building Technology program.

COMPELLING REASON AND BACKGROUND

This gift will support HCC’s Smart Building Technology program and help the Program Coordinator make classes and learning opportunities more accessible to a wider audience.

FISCAL IMPACT

Donation Value: in-kind contribution at a total of \$4,400.
Additional Costs: no additional costs included in HCC Budget

STRATEGIC ALIGNMENT

1. *Student Success*

ATTACHMENTS:

Description	Upload Date	Type
J-Tech Digital Acknowledgement Letter	11/14/2025	Attachment

This item is applicable to the following: Central

FOUNDATION

**HCC Foundation
Executive Committee**

David D. Itz
Board Chair

Tracy Janda
Board Chair-Elect

Melissa Vela
*Vice Chair of
Board Relations*

Ed Fierro
*Vice Chair of
Governance*

Jennifer Waldner Grant
*Vice Chair of
Philanthropic Strategy*

Juanita S. Parker
Secretary

Cecelia Allen
Treasurer

Margaret Ford Fisher, Ed.D.
HCC Chancellor

Karen L. Schmidt, M.B.A., CFRE
HCC Foundation President

October 15, 2025

J-Tech Digital
ATTN: Mr. Adrian Wagner
9801 Emily Ln.
Stafford, TX 77477

Dear Mr. Wagner,

Thank you for J-Tech Digital's in-kind donation of three Point Tilt Zoom cameras to HCC's Smart Building Technology program. We anticipate that Houston City College's Board of Trustees will determine its formal acceptance of the donation at the November 19, 2025, Board meeting. We will keep you aware of this process.

While, according to IRS regulations, we cannot declare the value of your donation, you have valued your in-kind contribution at \$4,400. Your generosity has furthered the efforts of the Smart Building Technology program at Houston City College by providing valuable equipment that will make our classes and learning opportunities more accessible to students. Additionally, such equipment is frequently used in buildings with advanced AV setups, and this is a great learning opportunity for our students and instructors.

As one of the largest community colleges in the nation, HCC's top priority and mission is focused on serving our students and student success. We know that education changes lives and is an equalizer, creating opportunities for all. HCC works to ensure students acquire the skills needed to compete in today's marketplace and contribute to the economic growth of Houston's region.

I appreciate you joining the HCC Foundation in its mission of ensuring that all Houston students have access to education and the chance at building a promising future.

Sincerely,



Karen L. Schmidt, M.B.A., CFRE President
HCC Foundation

All gifts to the HCC Foundation are tax deductible to the extent allowed by law. In compliance with IRS tax reporting laws, the amount of your charitable contribution is limited to the excess of your payment over the value of goods or services provided by HCCF. The HCCF tax identification number is #74-1885205. No goods or services were provided in exchange for this donation.

ACTION ITEM

Meeting Date: December 3, 2025

Consent Agenda

ITEM #	ITEM TITLE	PRESENTER
2.	Acceptance of Donated Item by BMC Software	Dr. Margaret Ford Fisher Dr. Andrea Burrridge

RECOMMENDATION

Acceptance of the following donated item by BMC Software:

- 15 refurbished Dell Latitude Laptops. All are rated as "Condition B" (fully functional with minor cosmetic wear, out of warranty).

COMPELLING REASON AND BACKGROUND

The donated item will be used as prizes for the winning teams for the HCC Upward Bound Shark Tank Challenge in 2026. BMC Software is offering a technology donation to Houston City College (HCC) in support of our commitment to student success and entrepreneurial growth, specifically for the HCC Upward Bound Shark Tank Challenge in 2026. This initiative, which empowers students with digital literacy and innovation skills, perfectly aligns with BMC’s commitment to global corporate citizenship. They will provide 15 Dell Latitude laptops and their corresponding power adapters/charging cables, which we hope will serve as valuable prizes for the winning teams and individuals who demonstrate exceptional entrepreneurial spirit.

FISCAL IMPACT

Donation Value: In-Kind contribution valued at \$8,430

Additional Costs: No Additional Costs.

STRATEGIC ALIGNMENT

1. *Student Success*

ATTACHMENTS:

Description	Upload Date	Type
BMC Software Acknowledgement Letter	11/14/2025	Attachment

This item is applicable to the following: Southwest



**HCC Foundation
Executive Committee**

David D. Itz
Board Chair

Tracy Janda
Board Chair-Elect

Melissa Vela
*Vice Chair of
Board Relations*

Ed Fierro
*Vice Chair of
Governance*

Jennifer Waldner Grant
*Vice Chair of
Philanthropic Strategy*

Juanita S. Parker
Secretary

Cecelia Allen
Treasurer

Margaret Ford Fisher, Ed.D.
HCC Chancellor

Karen L. Schmidt, M.B.A., CFRE
HCC Foundation President

October 31, 2025

Wendy Rentschler
Global Head of Corporate Citizenship & Impact
BMC Software
2103 CityWest Boulevard
Houston, TX 77042

Ms. Rentschler,

Thank you for the wonderful in-kind donation of 15 Dell Latitude Laptops for the HCC Upward Bound Shark Tank Challenge in 2026. We anticipate that Houston City College's Board of Trustees will determine its formal acceptance of the donation at the December 3, 2025, Board meeting. We will keep you aware of this process.

While, according to IRS regulations, we cannot declare the value of your donation, you have valued your in-kind contribution at \$8,430. Your generosity has furthered the efforts of the student programs at Houston City College.

As one of the largest city colleges in the nation, HCC's top priority and mission is focused on serving our students and student success. We know that education changes lives and is an equalizer, creating opportunities for all. HCC works to ensure students acquire the skills needed to compete in today's marketplace and contribute to the economic growth of Houston's region.

I appreciate you joining the HCC Foundation in its mission of ensuring that all Houston students have access to education and the chance at building a promising future.

Sincerely,

Karen Schmidt, M.B.A., CFRE, President
Houston City College Foundation

All gifts to the HCC Foundation are tax deductible to the extent allowed by law. In compliance with IRS tax reporting laws, the amount of your charitable contribution is limited to the excess of your payment over the value of goods or services provided by HCCF. The HCCF tax identification number is #74-1885205. No goods or services were provided in exchange for this donation.

ACTION ITEM

Meeting Date: December 3, 2025

Consent Agenda

ITEM #	ITEM TITLE	PRESENTER
3.	Proposed New Awards: Biotechnology Laboratory Sciences A.A.S., Biotechnology Laboratory Sciences, Level 2 Certificate, and Biotechnology Laboratory Sciences, Level 1 Certificate	Dr. Margaret Ford Fisher Dr. Lutricia Harrison

RECOMMENDATION

Approve Biotechnology Laboratory Sciences A.A.S., Biotechnology Laboratory Sciences Level 2 Certificate, and Biotechnology Laboratory Sciences Level 1 Certificate.

COMPELLING REASON AND BACKGROUND

The Biotechnology Laboratory Sciences Program at Houston City College will prepare students for careers in the rapidly growing field of biotechnology. Designed to meet the needs of diverse biotechnology, the program combines rigorous academic instruction with hands-on laboratory experience. Students will gain proficiency in essential biotechnological techniques, quality control standards, and safety protocols while mastering the use of state-of-the-art laboratory equipment. Graduates will be equipped with the skills necessary for entry-level positions as Biotechnology Laboratory Technicians and other roles in biomedical and clinical laboratories.

FISCAL IMPACT

- **Biotechnology Laboratory Sciences A.A.S.** 5-year revenues: \$645K | 5-year expenditures: \$858K | First year costs: \$223K
- **Biotechnology Laboratory Sciences Level 2 Certificate** 5-year revenues: \$366K | 5-year expenditures: \$151K | First year costs: \$29K
- **Biotechnology Laboratory Sciences Level 1 Certificate** 5-year revenues: \$169K | 5-year expenditures: \$95K | First year costs: \$18K

LEGAL REQUIREMENT

N/A

STRATEGIC ALIGNMENT

1. Student Success, 5. College of Choice

ATTACHMENTS:

Description	Upload Date	Type
Biotechnology Laboratory Sciences A.A.S- Degree Plan	11/18/2025	Attachment
Biotechnology Laboratory Sciences Level 2 Certificate -	11/18/2025	Attachment

Degree Plan		
Biotechnology Laboratory Sciences Level 1 Certificate-Degree Plan	11/18/2025	Attachment
Financial Projections for Biotechnology Laboratory Sciences	11/20/2025	Attachment

This item is applicable to the following: Coleman

NEW - Biotechnology Laboratory Sciences Associate of Applied Science								
YEAR 1 (1st Semester)								
Prefix	Number	Course Name	Course Type	Weekly	Weekly	Ext	Cont	Cred
				Lec Hrs	Lab Hrs	Hrs	Hrs	Hrs
EDUC	1300	Learning Framework	ACGM	3	0	0	48	3
BIOL	1306	Biology for Science Majors I	ACGM	3	0	0	48	3
BIOL	1106	Biology for Science Majors I	ACGM	0	3	0	48	1
BIOL	1414	Introduction to Biotechnology I	ACGM	3	3	0	96	4
ENGL	1301	Composition I	ACGM	3	0	0	48	3
1st Semester Totals				12	6	0	288	14
YEAR 1 (2nd Semester)								
Prefix	Number	Course Name	Course Type	Weekly	Weekly	Ext	Cont	Cred
				Lec Hrs	Lab Hrs	Hrs	Hrs	Hrs
MATH	1314	College Algebra	ACGM	3	0	0	48	3
CHEM	1305	Introductory Chemistry I	ACGM	3	0	0	48	3
CHEM	1105	Introductory Chemistry Laboratory I	ACGM	0	3	0	48	3
BITC	1240	Quality Assurance for the Biosciences	WECM	3	0	0	48	2
BITC	1402	Biotechnology Laboratory Methods and Techniques	WECM	2	4	0	96	4
2nd Semester Totals				11	7	0	288	15
YEAR 1 Totals				23	13	0	576	29
YEAR 2 (1st Semester)								
Prefix	Number	Course Name	Course Type	Weekly	Weekly	Ext	Cont	Cred
				Lec Hrs	Lab Hrs	Hrs	Hrs	Hrs
XXXX	X3XX	Humanities/Fine Arts Elective	ACGM	3	0	0	48	3
ECON	1301	Introduction to Economics	ACGM	3	0	0	48	3
BITC	2411	Biotechnology Laboratory Instrumentation	WECM	2	4	0	96	4
BITC	2431	Cell Culture Techniques	WECM	2	4	0	96	4
1st Semester Totals				10	8	0	288	14
YEAR 2 (2nd Semester)								
Prefix	Number	Course Name	Course Type	Weekly	Weekly	Ext	Cont	Cred
				Lec Hrs	Lab Hrs	Hrs	Hrs	Hrs
XXXX	X3XX	Humanities/Fine Arts Elective	ACGM	3	0	0	48	3
ECON	2301	Principles of Macroeconomics	ACGM	3	0	0	48	3
BITC	1491	Special Topics in Biological Technology/Technician (Biomanufacturing)	WECM	2	4	0	96	4
BITC	2441	Molecular Biology Techniques	WECM	2	4	0	96	4
2nd Semester Totals				10	8	0	288	14
YEAR 2 (3rd Semester)								
Prefix	Number	Course Name	Course Type	Weekly	Weekly	Ext	Cont	Cred
			Type	Lec Hrs	Lab Hrs	Hrs	Hrs	Hrs
BITC OR	2387 OR	Internship - Biology Technician/Biotechnology Laboratory Technician OR	WECM	0	0	9	144	3
BITC	2377	Biotechnology Capstone Experience	WECM	2	2	0	64	3
3rd Semester Totals				0	0	9	144	3
YEAR 2 TOTAL				20	16	9	720	31
AAS Degree TOTAL				43	29	9	1296	60

NEW - Biotechnology Laboratory Sciences Level 2 Certificate

YEAR 1 (1st Semester)

Prefix	Number	Course Name	Course Type	Weekly	Weekly	Ext	Cont	Cred
				Lec Hrs	Lab Hrs	Hrs	Hrs	Hrs
EDUC	1300	Learning Framework	ACGM	3	0	0	48	3
BIOL	1306	Biology for Science Majors I	ACGM	3	0	0	48	3
BIOL	1106	Biology for Science Majors I	ACGM	0	3	0	48	1
BIOL	1414	Introduction to Biotechnology I	ACGM	3	3	0	96	4
1st Semester Totals				9	6	0	240	11

YEAR 1 (2st Semester)

Prefix	Number	Course Name	Course Type	Weekly	Weekly	Ext	Cont	Cred
				Lec Hrs	Lab Hrs	Hrs	Hrs	Hrs
CHEM	1305	Introductory Chemistry I	ACGM	3	0	0	48	3
BITC	1240	Quality Assurance for the Biosciences	WECM	3	0	0	48	2
BITC	1402	Biotechnology Laboratory Methods and Techniques	WECM	2	4	0	96	4
BITC	2411	Biotechnology Laboratory Instrumentation	WECM	2	4	0	96	4
2nd Semester Totals				10	8	0	288	13

YEAR 1 (3rd Semester)

Prefix	Number	Course Name	Course Type	Weekly	Weekly	Ext	Cont	Cred
			Type	Lec Hrs	Lab Hrs	Hrs	Hrs	Hrs
BITC	1347	Principles of Biomanufacturing	WECM	3	0	0	48	3
BITC OR	2387 OR	Internship - Biology Technician/Biotechnology Laboratory Technician OR	WECM	0	0	9	144	3
BITC	2377	Biotechnology Capstone Experience	WECM	2	2	0	64	3
3rd Semester Totals				3	0	9	192	6
YEAR 1 L2C Totals				22	14	9	720	30

NEW - Biotechnology Laboratory Sciences Level 1 Certificate

YEAR 1 (1st Semester)

Prefix	Number	Course Name	Course Type	Weekly	Weekly	Ext	Cont	Cred
				Lec Hrs	Lab Hrs	Hrs	Hrs	Hrs
EDUC	1300	Learning Framework	ACGM	3	0	0	48	3
BIOL	1414	Introduction to Biotechnology I	ACGM	3	3	0	96	4
BITC	1240	Quality Assurance for the Biosciences	WECM	3	0	0	48	2
BITC	1402	Biotechnology Laboratory Methods and Techniques	WECM	2	4	0	96	4
1st Semester Totals				11	7	0	288	13

YEAR 1 (2nd Semester)

Prefix	Number	Course Name	Course Type	Weekly	Weekly	Ext	Cont	Cred
			Type	Lec Hrs	Lab Hrs	Hrs	Hrs	Hrs
BITC	1347	Principles of Biomanufacturing	WECM	3	0	0	48	3
BITC OR	2387 OR	Internship - Biology Technician/Biotechnology Laboratory Technician OR	WECM	0	0	9	144	3
BITC	2377	Biotechnology Capstone Experience	WECM	2	2	0	64	3
2nd Semester Totals				3	0	9	192	6
YEAR 1 L1C Totals				14	7	9	480	19

Biotechnology Laboratory Sciences, AAS

Houston City College

Projected Revenues and Expenditures and Cash Flow

Addition of: Biotechnology Laboratory Sciences, AAS

	Increases in Revenues and Expenses per Semester					Incremental Annual Revenues and Expenditures				
	Incremental	Estimated	Estimated	Total	Estimated	Year 1	Year 2	Year 3	Year 4	Year 5
	Tuition/Fees Per Credit Hour	# of Students	SCH per Student	# of SCH	Annual Increase in T&F Revenue					
						FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
In-District Students	\$ 75.50	12	14	168	\$ 21,427	\$ 21,427	\$ 33,498	\$ 33,498	\$ 33,498	\$ 33,498
Out-of-District Students	\$ 171.50	9	14	126	\$ 39,467	39,467	61,701	61,701	61,701	61,701
Out-of-State Students	\$ 290.00	4	14	56	\$ 21,364	21,364	33,400	33,400	33,400	33,400
Estimated Increase in Tuition and Fees		25		350	\$ 82,258	\$ 82,258	\$ 128,598	\$ 128,598	\$ 128,598	\$ 128,598

The following assumptions were used to project the revenue and expenses for this proposed new program offering:

1. Projected average class of 25.
2. Use Health Science's retention rate of 74% to calculate classes year over year plus new cohort of 25 each year.
3. Also, use HCC's completion rate of 24% to calculate the number of project completers/awards for HB8 funding.

Biotechnology Laboratory Sciences, Level 2 Certificate

Houston City College

Projected Revenues and Expenditures and Cash Flow

Addition of: Biotechnology Laboratory Sciences, Level 2 Certificate

REVENUES	Increases in Revenues and Expenses per Semester					Incremental Annual Revenues and Expenditures				
	Incremental	Estimated	Estimated	Total	Estimated	Year 1	Year 2	Year 3	Year 4	Year 5
	Tuition/Fees Per Credit Hour	# of Students	SCH per Student	# of SCH	Annual Increase in T&F Revenue	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
In-District Students	\$ 75.50	12	11	132	\$ 17,663	17,663	17,663	17,663	17,663	17,663
Out-of-District Students	\$ 171.50	9	11	99	32,534	32,534	32,534	32,534	32,534	32,534
Out-of-State Students	\$ 290.00	4	11	44	17,611	17,611	17,611	17,611	17,611	17,611
Estimated Increase in Tuition and Fees		25		275	\$ 67,808	\$ 67,808	\$ 67,808	\$ 67,808	\$ 67,808	\$ 67,808
Projected Reimbursement	Certificate 2	Eco Disadvantaged		Estimated		Year 1	Year 2	Year 3	Year 4	Year 5
	(Standard HB8 Award)	(25%) Weighted Bonus		Annual		FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
State Reimbursement, beginning Fall 2027	\$ 1,750	\$1,125		\$ -	\$ -	\$ 6,777	\$ 6,777	\$ 6,777	\$ 6,777	\$ 6,777
TOTAL REVENUES						\$ 67,808	\$74,585	\$ 74,585	\$74,585	\$ 74,585

EXPENDITURES	Adjunct Rate Per Course SCH	Estimated Course SCH per Term	Estimated Incremental Salary Costs	Year 1	Year 2	Year 3	Year 4	Year 5
				FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Adjunct Salary Costs	\$ 2,832	4	\$ 28,886	\$ 28,886	\$ 29,453	\$ 30,019	\$ 30,586	\$ 31,718
Full-Time Faculty (Program Coordinator)*			-	-	-	-	-	-
Full-Time Faculty				-	-	-	-	-
Content Expert Stipends*				-	-	-	-	-
Equipment Costs*				-	-	-	-	-
Construction Costs				-	-	-	-	-
Accreditation Fees				-	-	-	-	-
Instructional Materials Supplies*				-	-	-	-	-
Marketing costs				-	-	-	-	-
Faculty Development/Travel*				-	-	-	-	-
TOTAL DIRECT EXPENDITURES				\$ 28,886	\$ 29,453	\$ 30,019	\$ 30,586	\$ 31,718
*Counted in Biotechnology Laboratory Sciences, AAS								
NET EXPENDITURES AVAILABLE TO SUPPORT								
STUDENT SERVICES, ACADEMIC SUPPORT, INSTITUTIONAL SUPPORT, DEPRECIATION AND SCHOLARSHIPS				\$ 38,922	\$ 45,133	\$ 44,566	\$ 44,000	\$ 42,867
Proposing Full-Time Cohort								

The following assumptions were used to project the revenue and expenses for this proposed new program offering:

1. Projected average class of 25.
2. Use Health Science's retention rate of 74% to calculate classes year over year plus new cohort of 25 each year.
3. Also, use HCC's completion rate of 24% to calculate the number of project completers/awards for HB8 funding.

Biotechnology Laboratory Sciences, Level 1 Certificate

Houston City College

Projected Revenues and Expenditures and Cash Flow

Addition of: Biotechnology Laboratory Sciences, Level 1 Certificate

REVENUES	Increases in Revenues and Expenses per Semester					Incremental Annual Revenues and Expenditures				
	Incremental	Estimated	Estimated	Total	Estimated	Year 1 FY 2027	Year 2 FY 2028	Year 3 FY 2029	Year 4 FY 2030	Year 5 FY 2031
	Tuition/Fees Per Credit Hour	# of Students	SCH per Student	# of SCH	Annual Increase in T&F Revenue					
In-District Students	\$ 75.50	12	13	156	\$ 12,886	\$ -	\$ -	\$ -	\$ -	\$ -
Out-of-District Students	\$ 171.50	9	13	117	23,735	-	-	-	-	-
Out-of-State Students	\$ 290.00	4	13	52	12,848	1,306	1,306	1,306	1,306	1,306
Estimated Increase in Tuition and Fees		25		325	\$ 49,468	\$ 1,306	\$ 1,306	\$ 1,306	\$ 1,306	\$ 1,306
Tuition/Fees waived; Dual Credit Out-of-District Fee \$65 per class										
Projected Reimbursement	Certificate 1		Eco Disadvantaged		Estimated	Year 1 FY 2027	Year 2 FY 2028	Year 3 FY 2029	Year 4 FY 2030	Year 5 FY 2031
	(Standard HB8 Award)		(25%) Weighted Bonus		Annual					
					Funding					
State Reimbursement, beginning Fall 2027	\$ 1,750		\$1,125		\$ -	\$ -	\$ 9,158	\$ 9,158	\$ 9,158	\$ 9,158
Financial Aid for Swift Transfer (FAST)						-	31,533	31,533	31,533	31,533
TOTAL REVENUES						\$ 1,306	\$ 41,997	\$ 41,997	\$ 41,997	\$ 41,997
The FAST maximum tuition rate is \$55 per semester credit hour.										

EXPENDITURES	Adjunct Rate Per Course SCH	Estimated Course SCH per Term	Estimated Incremental Salary Costs	Year 1	Year 2	Year 3	Year 4	Year 5
				FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Adjunct Salary Costs	\$ 2,832	4	\$ 18,295	\$ 18,295	\$ 18,653	\$ 19,012	\$ 19,371	\$ 20,088
Full-Time Faculty (Program Coordinator)*			-	-	-	-	-	-
Full-Time Faculty				-	-	-	-	-
Content Expert Stipends*				-	-	-	-	-
Equipment Costs*				-	-	-	-	-
Construction Costs				-	-	-	-	-
Accreditation Fees				-	-	-	-	-
Instructional Materials Supplies*				-	-	-	-	-
Marketing costs				-	-	-	-	-
Faculty Development/Travel*				-	-	-	-	-
TOTAL DIRECT EXPENDITURES				\$ 18,295	\$ 18,653	\$ 19,012	\$ 19,371	\$ 20,088
*Counted in Biotechnology Laboratory Sciences, AAS								
NET EXPENDITURES AVAILABLE TO SUPPORT								
STUDENT SERVICES, ACADEMIC SUPPORT, INSTITUTIONAL SUPPORT, DEPRECIATION AND SCHOLARSHIPS				\$ (16,989)	\$ 23,344	\$ 22,985	\$ 22,626	\$ 21,909

Proposing Full-Time Cohort

The following assumptions were used to project the revenue and expenses for this proposed new program offering:

1. Projected average class of 25.
2. Use Health Science's retention rate of 74% to calculate classes year over year plus new cohort of 25 each year.
3. Also, use HCC's completion rate of 24% to calculate the number of project completers/awards for HB8 funding.

ACTION ITEM

Meeting Date: December 3, 2025

Consent Agenda

ITEM #	ITEM TITLE	PRESENTER
4.	Proposed New Awards: Aviation Maintenance Technology-Airframe, A.A.S & Aviation Maintenance Technology-Powerplant, A.A.S., Aviation Maintenance Technology - General, Level 1 Certificate	Dr. Margaret Ford Fisher Dr. Betty Fortune

RECOMMENDATION

Approve Aviation Maintenance Technology-Airframe, A.A.S, Aviation Maintenance Technology-Powerplant, A.A.S., and Aviation Maintenance-General, Level 1 Certificate.

COMPELLING REASON AND BACKGROUND

There is strong demand for aviation maintenance technicians in the Houston area as the region's aerospace and aviation industry continues to grow. Establishing a training program would help meet this demand and support thousands of existing and future jobs at Houston's major airports and aviation companies.

FISCAL IMPACT

- **Aviation Maintenance Technology-Airframe, A.A.S. and Aviation Maintenance Technology General, Level 1 Certificate**
 - 5-year revenues: \$1.6 mil | 5-year expenditures: \$1.9 mil | First year costs: \$866K
- **Aviation Maintenance Technology- Powerplant, A.A.S.**
 - 5-year revenues: \$641K | 5-year expenditures: \$889K | First year costs: \$614K

LEGAL REQUIREMENT

N/A

STRATEGIC ALIGNMENT

1. Student Success, 5. College of Choice

ATTACHMENTS:

Description	Upload Date	Type
Aviation Maintenance Technology-Airframe, A.A.S. Degree Plan	11/19/2025	Attachment
Aviation Maintenance Technology-Powerplant, A.A.S. Degree Plan	11/19/2025	Attachment
Aviation Maintenance Technology- General C1 Degree Plan	11/19/2025	Attachment

This item is applicable to the following: Northeast, Southwest

Aviation Maintenance Technology-Airframe, A.A.S.								
YEAR 1 (1st Semester)								
Prefix	Number	Course Name	Course Type	Weekly	Weekly	Ext	Cont	Cred
				Lec Hrs	Lab Hrs	Hrs	Hrs	Hrs
EDUC	1300	Learning Framework	AC. Core	3	0	0	48	3
AERM	1315	Aviation Science	WECM	2	2	0	64	3
AERM	1208	Federal Aviation Regulations	WECM	1	2	0	48	2
AERM	1303	Shop Practices	WECM	2	3	0	80	3
AERM	1310	Ground Operations	WECM	2	3	0	80	3
1st Semester Totals				10	10	0	320	14
YEAR 1 (2nd Semester)								
Prefix	Number	Course Name	Course Type	Weekly	Weekly	Ext	Cont	Cred
				Lec Hrs	Lab Hrs	Hrs	Hrs	Hrs
AERM	1205	Weight and Balance	WECM	1	2	0	48	2
AERM	1414	Basic Electricity	WECM	2	4	0	96	4
AERM	1445	Airframe Electrical System	WECM	3	3	0	96	4
AERM	1243	Instruments and Navigation/Communication	WECM	1	2	0	48	2
AERM	1347	Airframe Auxiliary Systems	WECM	2	3	0	80	3
AERM	1349	Hydraulic, Pneumatic, and Fuel Systems	WECM	2	3	0	80	3
2nd Semester Totals				11	17	0	448	18
YEAR 1 (Summer)								
Prefix	Number	Course Name	Course Type	Weekly	Weekly	Ext	Cont	Cred
				Lec Hrs	Lab Hrs	Hrs	Hrs	Hrs
####	#3##	Humanities/Fine Arts Elective	AC. Core	3	0	0	48	3
MATH	#3##	College Level Mathematics Elective	AC. Core	3	0	0	48	3
Summer Totals				6	0	0	96	6
YEAR 1 Totals				27	27	0	864	38
YEAR 2 (1st semester)								
Prefix	Number	Course Name	Course Type	Weekly	Weekly	Ext	Cont	Cred
				Lec Hrs	Lab Hrs	Hrs	Hrs	Hrs
####	#3##	General Education Elective	AC. Core	3	0	0	48	3
AERM	1350	Landing Gear Systems	WECM	2	3	0	80	3
AERM	1141	Wood, Fabric, and Finishes	WECM	1	1	0	32	1
AERM	1254	Aircraft Composites	WECM	1	3	0	64	2
AERM	1452	Aircraft Sheet Metal	WECM	2	7	0	144	4
AERM	2233	Assembly and Rigging	WECM	1	4	0	80	2
1st Semester Totals				10	18	0	448	15
YEAR 2 (2nd Semester)								
Prefix	Number	Course Name	Course Type	Weekly	Weekly	Ext	Cont	Cred
				Lec Hrs	Lab Hrs	Hrs	Hrs	Hrs
####	#3##	General Education Elective	AC. Core	3	0	0	48	3
AERM	2231	Airframe Inspection	WECM	1	2	0	48	2
AERM	1280	Cooperative Education - Airframe Mechanics and Aircraft Maintenance Technology/Technician	WECM	1	0	7	128	2
2nd Semester Totals				5	2	7	224	7
YEAR 2 Totals				15	20	7	672	22
A.A.S. Degree TOTAL				42	47	7	1536	60

Aviation Maintenance Technology-Powerplant, A.A.S.								
YEAR 1 (1st Semester)								
Prefix	Number	Course Name	Course Type	Weekly	Weekly	Ext	Cont	Cred
				Lec Hrs	Lab Hrs	Hrs	Hrs	Hrs
EDUC	1300	Learning Framework	AC. Core	3	0	0	48	3
AERM	1315	Aviation Science	WECM	2	2	0	64	3
AERM	1208	Federal Aviation Regulations	WECM	1	2	0	48	2
AERM	1303	Shop Practices	WECM	2	3	0	80	3
AERM	1310	Ground Operations	WECM	2	3	0	80	3
1st Semester Totals				10	10	0	320	14
YEAR 1 (2nd Semester)								
Prefix	Number	Course Name	Course Type	Weekly	Weekly	Ext	Cont	Cred
				Lec Hrs	Lab Hrs	Hrs	Hrs	Hrs
AERM	1205	Weight and Balance	WECM	1	2	0	48	2
AERM	1414	Basic Electricity	WECM	2	4	0	96	4
AERM	1357	Fuel Metering and Induction Systems	WECM	1	6	0	112	3
AERM	1340	Aircraft Propellers	WECM	2	4	0	96	3
AERM	1456	Aircraft Powerplant Electrical	WECM	2	6	0	128	4
AERM	2252	Aircraft Powerplant Inspection	WECM	1	2	0	48	2
2nd Semester Totals				9	24	0	528	18
YEAR 1 (Summer)								
Prefix	Number	Course Name	Course Type	Weekly	Weekly	Ext	Cont	Cred
				Lec Hrs	Lab Hrs	Hrs	Hrs	Hrs
####	#3##	Humanities/Fine Arts Elective	AC. Core	3	0	0	48	3
MATH	#3##	College Level Mathematics Elective	AC. Core	3	0	0	48	3
Summer Totals				6	0	0	96	6
YEAR 1 Totals				25	34	0	944	38
YEAR 2 (1st semester)								
Prefix	Number	Course Name	Course Type	Weekly	Weekly	Ext	Cont	Cred
				Lec Hrs	Lab Hrs	Hrs	Hrs	Hrs
####	#3##	General Education Elective	AC. Core	3	0	0	48	3
AERM	1444	Aircraft Reciprocating Engines	WECM	3	2	0	80	4
AERM	2447	Aircraft Reciprocating Engine Overhaul	WECM	2	6	0	128	4
AERM	1351	Aircraft Turbine Engine Theory	WECM	2	3	0	80	3
AERM	2351	Aircraft Turbine Engine Overhaul	WECM	2	4	0	96	3
1st Semester Totals				12	15	0	432	17
YEAR 2 (2nd Semester)								
Prefix	Number	Course Name	Course Type	Weekly	Weekly	Ext	Cont	Cred
				Lec Hrs	Lab Hrs	Hrs	Hrs	Hrs
####	#3##	General Education Elective	AC. Core	3	0	0	48	3
AERM	1280	Cooperative Education - Airframe Mechanics and Aircraft Maintenance Technology/Technician	WECM	1	0	7	128	2
2nd Semester Totals				4	0	7	176	5
YEAR 2 Totals				16	15	7	608	22
A.A.S. Degree TOTAL				41	49	7	1552	60

Aviation Maintenance Technology--General C1								
YEAR 1 (1st Semester)								
Prefix	Number	Course Name	Course Type	Weekly	Weekly	Ext	Cont	Cred
				Lec Hrs	Lab Hrs	Hrs	Hrs	Hrs
AERM	1315	Aviation Science	WECM	2	2	0	64	3
AERM	1208	Federal Aviation Regulations	WECM	1	2	0	48	2
AERM	1303	Shop Practices	WECM	2	3	0	80	3
1st Semester Totals				5	7	0	192	8
YEAR 1 (2nd Semester)								
Prefix	Number	Course Name	Course Type	Weekly	Weekly	Ext	Cont	Cred
			Type	Lec Hrs	Lab Hrs	Hrs	Hrs	Hrs
AERM	1310	Ground Operations	WECM	2	3	0	80	3
AERM	1205	Weight and Balance	WECM	1	2	0	48	2
AERM	1414	Basic Electricity	WECM	2	4	0	96	4
2nd Semester Totals				5	9	0	224	9
YEAR 1 Totals				10	16	0	416	17

Aviation Maintenance Technology - Airframe, AAS and Aviation Maintenance Technology - General, C1

Houston City College

Projected Revenues and Expenditures and Cash Flow

Addition of: Aviation Maintenance Technology - Airframe, AAS and Aviation Maintenance Technology - General, C1

Increases in Revenues and Expenses per Semester						Incremental Annual Revenues and Expenditures				
REVENUES	Incremental Tuition/Fees Per Credit Hour	Estimated # of Students	Estimated SCH per Student	Total # of SCH	Estimated Annual Increase in T&F Revenue	Year 1 FY 2027	Year 2 FY 2028	Year 3 FY 2029	Year 4 FY 2030	Year 5 FY 2031
In-District Students	\$ 75.50	30	14	420	\$ 44,331	\$ 44,331	\$ 63,021	\$ 63,021	\$ 63,021	\$ 63,021
Out-of-District Students	\$ 171.50	16	14	224	\$ 81,656	81,656	116,083	116,083	116,083	116,083
Out-of-State Students	\$ 290.00	4	14	56	\$ 44,202	44,202	62,837	62,837	62,837	62,837
Estimated Increase in Tuition and Fees		50		700	\$ 170,190	\$ 170,190	\$ 241,941	\$ 241,941	\$ 241,941	\$ 241,941
Projected Reimbursement	Associate Degrees (Standard HB8 Award)	Eco Disadvantaged (25%) Weighted Bonus			Estimated Annual Funding	Year 1 FY 2027	Year 2 FY 2028	Year 3 FY 2029	Year 4 FY 2030	Year 5 FY 2031
State Reimbursement, beginning Fall 2028	\$ 3,500			\$1,125	\$ -	\$ -	\$ -	\$ 24,112	\$ 24,112	\$ 48,223
Projected FAST Funding (\$58.52 per SCH)	\$ 58.52			1924		\$ -	\$ -	\$ 112,592	\$ 112,592	\$ 112,592
TOTAL REVENUES						\$ 170,190	\$241,941	\$ 378,646	\$ 378,646	\$ 402,757
EXPENDITURES	Adjunct Rate Per Course SCH	Estimated Course SCH per Term			Estimated Incremental Salary Costs	Year 1 FY 2027	Year 2 FY 2028	Year 3 FY 2029	Year 4 FY 2030	Year 5 FY 2031
Adjunct Salary Costs	\$ 2,832	5			\$ 14,443	\$ 14,443	\$ 38,289	\$ 39,025	\$ 39,761	\$ 41,234
Full-Time Faculty (Program Coordinator)					75,568	75,568	77,079	78,621	80,193	81,797
Full-Time Faculty					73,003	73,003	74,463	79,675	85,253	91,220
Content Expert Stipends						6,681	6,681	6,681	6,681	6,681
Equipment Costs						521,661	-	-	-	-
Construction Costs						150,000	-	-	-	-
Accreditation Fees						600	600	600	600	600
Instructional Materials Supplies						-	25,000	25,000	25,000	25,000
Marketing costs						20,000	20,000	20,000	20,000	20,000
Faculty Development/Travel						4,000	4,000	4,000	4,000	4,000
TOTAL DIRECT EXPENDITURES						\$ 865,956	\$ 246,111	\$ 253,602	\$ 261,488	\$ 270,532
NET EXPENDITURES AVAILABLE TO SUPPORT										
STUDENT SERVICES, ACADEMIC SUPPORT, INSTITUTIONAL SUPPORT, DEPRECIATION AND SCHOLARSHIPS						\$ (695,766)	\$ (4,170)	\$ 125,044	\$ 117,158	\$ 132,225

Proposing Full-Time Cohort

Note: Day classes will be dual credit and evenings will be regular HCC students.

The following assumptions were used to project the revenue and expenses for this proposed new program offering:

1. Projected average class of 25.
2. Use HCC's retention rate of 52.7% to calculate classes year over year plus new cohort of 25 each year.
3. Also, use HCC's completion rate of 24% to calculate the number of project completers/awards for HB8 funding.
4. Fast funding for dual credit courses is calculated, assuming that 75% of Ft. Bend ISD students will be eligible for funding (25 students per class).

Houston City College

Projected Revenues and Expenditures and Cash Flow

Addition of: Aviation Maintenance Technology - Powerplant, AAS

REVENUES	Increases in Revenues and Expenses per Semester					Incremental Annual Revenues and Expenditures				
	Incremental	Estimated	Estimated	Total	Estimated	Year 1	Year 2	Year 3	Year 4	Year 5
	Tuition/Fees Per Credit Hour	# of Students	SCH per Student	# of SCH	Annual Increase in T&F Revenue	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
In-District Students	\$ 75.50	19	14	266	\$ 22,166	\$ 22,166	\$ 33,068	\$ 33,068	\$ 33,068	\$ 33,068
Out-of-District Students	\$ 171.50	4	14	56	\$ 40,828	40,828	60,910	60,910	60,910	60,910
Out-of-State Students	\$ 290.00	2	14	28	\$ 22,101	22,101	32,972	32,972	32,972	32,972
Estimated Increase in Tuition and Fees		25		350	\$ 85,095	\$ 85,095	\$ 126,950	\$ 126,950	\$ 126,950	\$ 126,950
		Associate Degrees (Standard HB8 Award)	Eco Disadvantaged (25%) Weighted Bonus		Estimated Annual Funding	Year 1 FY 2027	Year 2 FY 2028	Year 3 FY 2029	Year 4 FY 2030	Year 5 FY 2031
Projected Reimbursement										
State Reimbursement, beginning Fall 2028		\$ 3,500		\$1,125	\$ -	\$ -	\$ -	\$ 12,056	\$ 12,056	\$ 24,112
Projected FAST Funding (\$58.52 per SCH)		\$ 58.52		0		\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES						\$ 85,095	\$126,950	\$ 139,006	\$ 139,006	\$ 151,062
EXPENDITURES	Adjunct Rate	Estimated			Estimated	Year 1	Year 2	Year 3	Year 4	Year 5
	Per Course SCH	Course SCH per Term			Incremental Salary Costs	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Adjunct Salary Costs	\$ 2,832	5			\$ 14,443	\$ 14,443	\$ 42,216	\$ 43,028	\$ 43,839	\$ 45,463
Full-Time Faculty (Program Coordinator)	Salary already captured in Airframe AAS				-	-	-	-	-	-
Full-Time Faculty	Salary already captured in Airframe AAS				-	-	-	-	-	-
Content Expert Stipends						-	-	-	-	-
Equipment Costs						600,000	-	-	-	-
Construction Costs						-	-	-	-	-
Accreditation Fees						-	-	-	-	-
Instructional Materials Supplies						-	25,000	25,000	25,000	25,000
Marketing costs						-	-	-	-	-
Faculty Development/Travel						-	-	-	-	-
TOTAL DIRECT EXPENDITURES						\$ 614,443	\$ 67,216	\$ 68,028	\$ 68,839	\$ 70,463
NET EXPENDITURES AVAILABLE TO SUPPORT										
STUDENT SERVICES, ACADEMIC SUPPORT, INSTITUTIONAL SUPPORT, DEPRECIATION AND SCHOLARSHIPS						\$ (529,348)	\$ 59,734	\$ 70,978	\$ 70,166	\$ 80,599

Proposing Full-Time Cohort

The following assumptions were used to project the revenue and expenses for this proposed new program offering:

1. Projected average class of 25.
2. Use HCC's retention rate of 52.7% to calculate classes year over year plus new cohort of 25 each year.
3. Also, use HCC's completion rate of 24% to calculate the number of project completers/awards for HB8 funding.

ACTION ITEM

Meeting Date: December 3, 2025

Consent Agenda

ITEM #	ITEM TITLE	PRESENTER
5.	Annual Comprehensive Financial Report and Independent Audit Report for the Fiscal Year Ended August 31, 2025	Dr. Margaret Ford Fisher Robert McCracken Forvis Mazars

RECOMMENDATION

Approve the Annual Comprehensive Financial Report (ACFR) and Independent Auditors' Reports for the fiscal year ended August 31, 2025.

COMPELLING REASON AND BACKGROUND

- The independent auditing firm of Forvis Mazars has issued an unmodified opinion on the College's financial statements.
- The approval of HCC's ACFR and Independent Auditors' Reports by the Board of Trustees is recommended prior to the public distribution of the ACFR.
- Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States (U.S.); this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement.
- Forvis Mazars, Independent Certified Public Accountants, audited HCC's financial statements in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the U.S.
- In addition, Forvis Mazars is in the process of auditing HCC's compliance with requirements described in the U.S. Office of Management and Budget's OMB Compliance Supplement and The State of Texas Single Audit Circular for each of its major federal and state programs for the year ended August 31, 2025.

FISCAL IMPACT

Funding for the audit is included in the FY 2026 budget.

LEGAL REQUIREMENT

As required by Texas Administrative Code (Title 19, §13.62(c)) and Texas Education Code (§51.005), the ACFR must be submitted to the Governor, Comptroller of Public Accounts, State Auditor, Texas Higher Education Coordinating Board, Legislative Budget Board and various other state, federal, and bond agencies by January 1, 2026.

STRATEGIC ALIGNMENT

1. Student Success, 5. College of Choice

ATTACHMENTS:

Description	Upload Date	Type
FY2025 External Audit Results Presentation	11/20/2025	Presentation
FY2025 Draft Annual Comprehensive Financial Report	11/20/2025	Attachment

This item is applicable to the following: District

Report to the Board of Trustees, Audit Committee, and Management

Houston City College

Results of the 2025 Financial Statement Audit, Including Required Communications

August 31, 2025



**forv/s
mazars**

Required Communications Regarding Our Audit Strategy & Approach (AU-C 260)

The following matters are required communications we must make to you, including these responsibilities:

Overview & Responsibilities

Scope of Our Audit &
Inherent Limitation to
Reasonable Assurance

Your & Our
Responsibilities

Extent of Our
Communication &
Distribution Restriction

Group audits

Independence Matters

Matter	Discussion
Scope of Our Audit	This report covers audit results related to your financial statements and supplementary information • As of and for the year ended August 31, 2025 • Conducted in accordance with our contract dated July 17, 2025
Our Responsibilities	Forvis Mazars is responsible for forming and expressing opinions about whether the financial statements that have been prepared by management, with the oversight of those charged with governance, are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).
Audit Scope & Inherent Limitations to Reasonable Assurance	An audit performed in accordance with auditing standards generally accepted in the United States of America (GAAS) and <i>Government Auditing Standards</i> issued by the Comptroller General of the United States (GAGAS) is designed to obtain reasonable, rather than absolute, assurance about the financial statements. The scope of our audit tests was established in relation to the financial statements taken as a whole and did not include a detailed audit of all transactions.
Extent of Our Communication	In addition to areas of interest and noting prior communications made during other phases of the engagement, this report includes communications required in accordance with GAAS that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process, including audit approach, results, and internal control. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.
Independence	The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.
Your Responsibilities	Our audits do not relieve management or those charged with governance of your responsibilities. Your responsibilities and ours are further referenced in our contract.

Matter	Discussion
Distribution Restriction	This communication is intended solely for the information and use of the following and is not intended to be, and should not be, used by anyone other than these specified parties: • Board of Trustees, Audit Committee, and Management • Others within the College

Government Auditing Standards

Matter	Discussion
Additional GAGAS Reporting	We also provided a report as of August 31, 2025, on the following as required by GAGAS: • Internal control over financial reporting and on compliance and other matters based on an audit of the financial statements performed in accordance with GAGAS
Reporting Limitations	Our consideration of internal control over financial reporting and our tests of compliance were not designed with an objective of forming an opinion on the effectiveness of internal control or on compliance, and accordingly, we do not express such an opinion.

Group Audits

Component Units Audited by Other Auditors

Our audit strategy included the use of the work of a referred-to auditor, resulting in a division of responsibility over the group financial statements and our report thereon

We did not audit the financial statements of the Houston Community College Foundation , a discretely presented component unit , which statements reflect total assets constituting 100% and 100% of opinion unit total assets as of August 31, 2025 and 2024, respectively, and revenues constituting 100% and 100% of opinion unit total revenues, respectively, for the years then ended.

Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Houston Community College Foundation , is based solely on the report of the other auditors. We have had communications with the other auditors during planning and throughout the audit regarding their qualifications to perform the audit, including independence, and consideration of materiality as a basis for referring to their audit report. Professional standards require that we provide you with information about our responsibilities in accordance with GAAS, as well as certain information related to the planned scope and timing of our audit.

Other Information Accompanying the Audited Financial Statements

The audited financial statements are presented along with management's ACFR. Management, or those charged with governance, is responsible for preparing the ACFR.

We were not engaged to audit the other information contained in the ACFR, and as a result, our opinions do not provide assurance as to the completeness and accuracy of the other information contained therein.

As part of our procedures, we read the entire report to determine if financial information discussed in sections outside the financial statements materially contradicts the audited financial statements. If we identify any such matters, we bring them to management's attention and review subsequent revisions.

Auditor Objectives Related to Other Information

Our objectives related to the other information accompanying the audited financial statements were to:

- Consider whether a material inconsistency exists between the other information and the financial statements
- Remain alert for indications that:
 - A material inconsistency exists between the other information and the auditor's knowledge obtained in the audit, or
 - A material misstatement of fact exists or the other information is otherwise misleading
- Respond appropriately when we identify that such material inconsistencies appear to exist or when we otherwise become aware that other information appears to be materially misstated. Potential responsive actions would include requesting management to correct the identified inconsistency
- Include the appropriate communication in our auditor's report, disclosing the procedures performed on the Other Information, as well as the results obtained

Qualitative Aspects of Significant Accounting Policies & Practices

The following matters are detailed in the following pages and included in our assessment:

**Significant Accounting
Policies**

**Unusual Policies or
Methods**

**Alternative Accounting
Treatments**

**Management Judgments
& Accounting Estimates**

**Financial Statement
Disclosures**

**Our Judgment About the
Quality of the Entity's
Accounting Principles**

Significant Accounting Policies

Significant accounting policies are described in Note 2 of the audited financial statements.

With respect to new accounting standards adopted during the year, we call to your attention the following topics detailed in the following pages:

- Implementation of GASB 101, Compensated Absences

Unusual Policies or Methods

- No matters are reportable

Alternative Accounting Treatments

- No matters are reportable

Management Judgments & Accounting Estimates

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. Significant areas of such estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates include:

- Allowance for uncollectible receivables
- Depreciation (and amortization) of property and equipment (including intangibles)
- Net pension/OPEB liability and related deferred inflows and outflows of resources
- Fair value of investments

Financial Statement Disclosures

The following areas involve particularly sensitive financial statement disclosures for which we are prepared to discuss the issues involved and related judgments made in formulating those disclosures:

- Determination of fair values

Our Judgment About the Quality of the College's Accounting Principles

During the course of the audit, we made the following observations regarding the Entity's application of accounting principles:

- Estimates, judgments, and uncertainties
- All significant transactions have been recognized in the financial statements in the proper period
- Required changes in calculation of net investment in capital assets

Adjustments Identified by Audit

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments that, in its judgment, are required to prevent the financial statements from being materially misstated.

A misstatement is a difference between the amount, classification, presentation, or disclosure of a reported financial statement item and that which is required for the item to be presented fairly in accordance with the applicable financial reporting framework.

Proposed & Recorded Adjustments

Auditor-proposed and management-recorded entries include the following:

- \$15,054,947 - Remove unearned revenues and student receivables in FY25 that related to payment plans for 2026 tuition

Uncorrected Misstatements

Some adjustments proposed were **not recorded** because their effect is not currently considered material. We request that all identified misstatements be corrected.

Uncorrected misstatements that were determined by management to be immaterial, both individually and in the aggregate, but more than trivial to the financial statements as a whole are listed below OR included as an attachment to this communication.

While these uncorrected misstatements were deemed to be immaterial to the current-period financial statements, it is possible that the impact of these uncorrected misstatements, or matters underlying these uncorrected misstatements, could potentially cause future-period financial statements to be materially misstated.

Current Period Uncorrected Misstatements

- \$6,833,144 - Record the 2024 compensated absence liability for sick leave related to the implementation of GASB 101

Prior-Period Uncorrected Misstatements

- No prior-period uncorrected misstatements to report

Other Required Communications

Significant Issues Discussed with Management

Prior to and During the Audit Process

Prior to and during the audit process, the following issues were discussed or were the subject of correspondence with management:

- Implementation of GASB 101, Compensated Absences

Other Material Communications

Listed below are other material communications between management and us related to the audit:

- Management representation letter (see Attachment)

We orally communicated to management other deficiencies in internal control identified during our audit that are not considered material weaknesses or significant deficiencies.

Attachments

Management Representation Letter (Attachment A)

As a material communication with management, included herein is a copy of the representation letter provided by management at the conclusion of our engagement.

Attachment A

Management Representation Letter



ANNUAL COMPREHENSIVE FINANCIAL REPORT & SINGLE AUDIT REPORTS

Fiscal Years Ended August 31, 2025 & 2024
Houston, TX



HOUSTON CITY COLLEGE

Houston, Texas

Annual Comprehensive Financial Report

For the Years Ended

August 31, 2025 and 2024

Prepared by:

Finance and Administration

HOUSTON CITY COLLEGE
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INTRODUCTORY SECTION

HOUSTON CITY COLLEGE
ORGANIZATIONAL DATA
FOR THE YEAR ENDED AUGUST 31, 2025

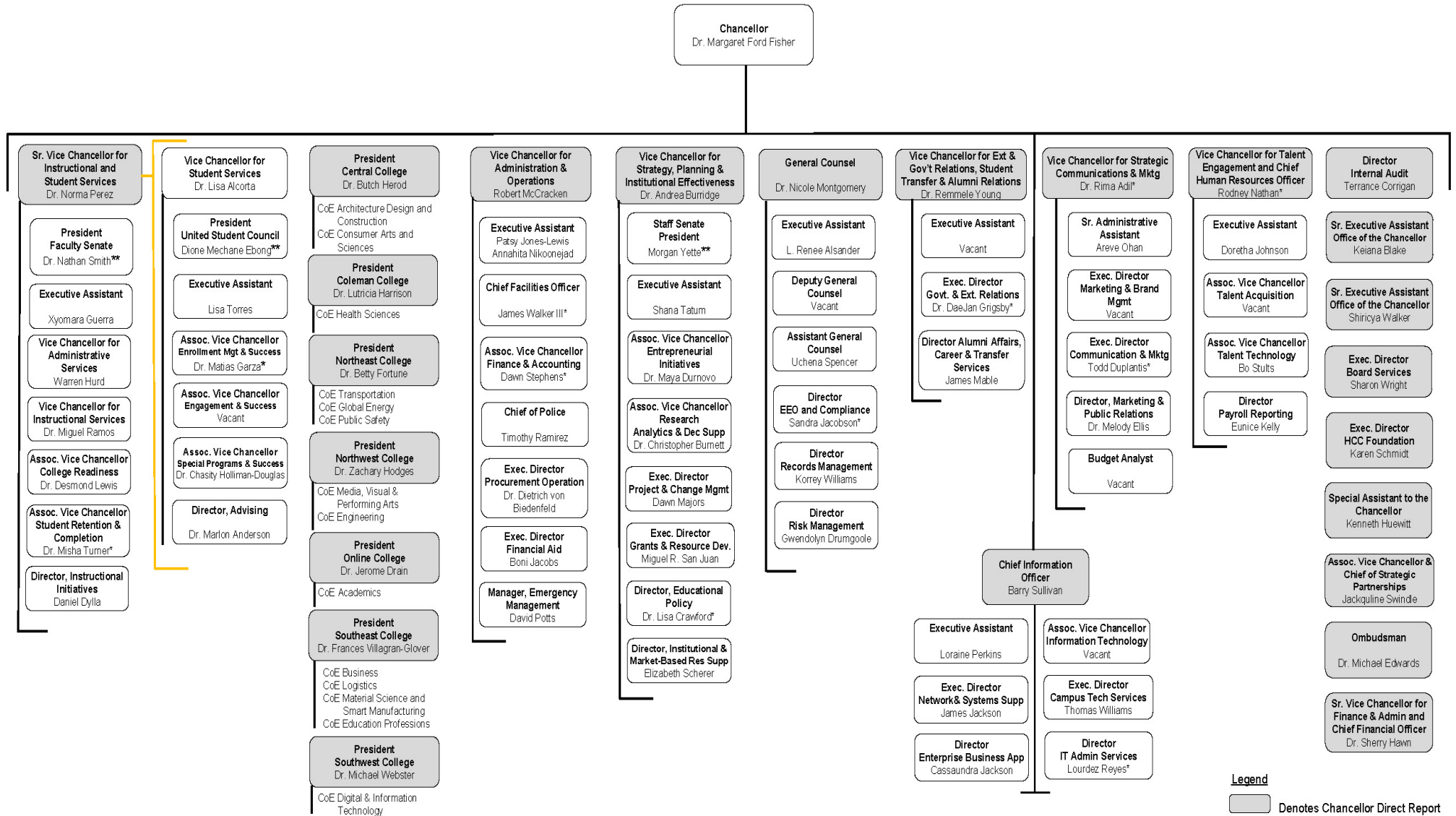
<u>BOARD OF TRUSTEES</u>		<u>Term Expires December 31,</u>
Eva L. Loreda, <i>Chair</i>	District VIII, Houston, Texas	2027
Laolu Davies-Yemitan, <i>Vice Chair</i>	District IV, Houston, Texas	2029
Sean Cheben, <i>Secretary</i>	District V, Houston, Texas	2029
Monica Flores Richart	District I, Houston, Texas	2025
Renee Jefferson Patterson	District II, Houston, Texas	2025
Dr. Adriana Tamez	District III, Houston, Texas	2027
David Wilson	District VI, Houston, Texas	2027
Dr. Cynthia Lenton-Gary	District VII, Houston, Texas	2025
Dr. Pretta VanDible Stallworth	District IX, Houston, Texas	2029

PRINCIPAL ADMINISTRATIVE OFFICERS

Dr. Margaret Ford Fisher	Chancellor
Dr. Rima Adil	Interim Vice Chancellor, Strategic Communications & Marketing
Dr. Lisa Alcorta	Vice Chancellor, Student Services
Dr. Andrea Burrridge	Vice Chancellor, Strategy, Planning & Institutional Effectiveness
Terrance Corrigan, CIA, CPA, CFE	Executive Director, Internal Auditing
Dr. Jerome Drain	President, Online College & COE of Academics
Dr. Michael Edwards	Ombudsman
Dr. Betty Fortune	President, Northeast College
Dr. Lutricia Harrison	President, Coleman College
Dr. Sherry Hawn	Senior Vice Chancellor, Finance & Administration and Chief Financial Officer
Dr. Butch Herod	President, Central College
Dr. Zachary Hodges	President, Northwest College
Warren Hurd	Vice Chancellor, Administrative Services
Gia Jones	President, United Student Council
Robert J. McCracken, MBA	Vice Chancellor, Administration & Operations
Dr. Y. Nicole Montgomery	General Counsel
Rodney Nathan	Interim Vice Chancellor, Talent Engagement & Chief Human Resources Officer
Dr. Norma Perez	Senior Vice Chancellor, Instructional & Student Services and Chief Academic Officer
Dr. Miguel Ramos	Vice Chancellor, Instructional Services
Karen L. Schmidt, MBA	Executive Director, HCC Foundation
Dr. Nathan Smith	President, Faculty Senate
Barry Sullivan	Chief Information Officer
Dr. Frances Villagran-Glover	President, Southeast College
James Walker III	Interim Chief Facilities Officer
Dr. Michael Webster	President, Southwest College

Houston City College Board of Trustees

Dist. 1: Monica Flores Richart
Dist. 2: Renee Jefferson Patterson
Dist. 3: Dr. Adriana Tamez
Dist. 4: Laolu Davies-Yemitan (Vice Chair)
Dist. 5: Sean Cheben (Secretary)
Dist. 6: Dave Wilson
Dist. 7: Dr. Cynthia Lenton-Gary
Dist. 8: Eva Loreda (Chair)
Dist. 9: Dr. Pretta VanDible Stallworth



Legend

- Denotes Chancellor Direct Report
- (*) Denotes Interim Post
- (**) Denotes Rotating Post
- CoE Center of Excellence

To the HCC Board of Trustees:



I am pleased to submit the Houston City College (HCC) Annual Comprehensive Financial Report (ACFR) for Fiscal 2025 (9/1/24 – 8/31/25) to the Board of Trustees and our wider community. HCC continues to demonstrate an unwavering commitment to bolstering student success through a curated combination of effective financial planning and stewardship, exemplary and enthusiastic teaching and faculty development, and extraordinary administrative support.

The results of this collaborative effort yielding tangible dividends are measurable in our healthy financial position, highlighted below.

- Net Position increase of \$74.1 million: FY 2025 estimated Net Position totals \$808.5 million, an increase of \$74.1 million from last year's \$734.3 million.
- Liabilities decreased by \$47.8 million from FY 2024 to FY 2025: This includes a decrease in bonds payable of \$43.8 million, a decrease in Pensions liability of \$13.1 million and an increase in Other Post Employment Benefits (OPEB) liability of \$13.3 million, (increases in HCC's proportionate share due to higher benefits payments).
- Credit Rating high and stable: Created a stronger, more professional institution, achieving an AAA (highest quality) bond rating from Moody's and AA+ (very strong) credit rating from Standard & Poor's.
- Days Cash on Hand (DCOH) exceeds target by \$37.9 million: In 2018 the Board increased the financial reserve requirements to 180 ± 5 percent days, cash-on-hand (DCOH). Since then, HCC has consistently exceeded the policy's threshold. As of August 31, 2025, the DCOH is 217 days which represents \$184.6 million and exceeds the required minimum by 37 days and \$37.9 million. Notably, HCC's DCOH is extremely strong relative to its Texas community college (large) peer group.
- Excellence in Financial Reporting continues for 18th year: HCC has again been recognized by the Government Finance Officers Association with a Certificate of Achievement for Excellence in Financial Reporting for its FY 2024 ACFR. This is the 18th year that the college has received this recognition.

Throughout fiscal year 2025, HCC exemplified excellence by fulfilling its educational and workforce development missions while simultaneously addressing our students' needs for wrap-around services such as basic needs support, tutoring, and career services. We continue to provide a quality education at an affordable price with tuition and fees almost 17% lower than the average of Texas' largest community colleges. HCC soared above other institutions by serving more than 95,000 students including more than 4,000 international students. Many of our students and graduates continue their studies at four-year institutions. Other graduates will progress to employment in industries seeking skilled labor for high-demand jobs, making Texas workforce-fit.

As we look to the future, Houston City College will take a comprehensive and strategic approach to integrating artificial intelligence across our entire system. Through updated policies, procedures, training, and best practices, we will harness the transformative power of AI—maximizing its benefits while thoughtfully mitigating its risks.

We will prepare our students to thrive in an AI-driven world by aligning our programs with the forces of change shaping the global economy. Houston City College will continue to evolve its workforce and academic pathways to reflect emerging fields such as cybersecurity, drone technology, biomedical innovation, and other high-demand sectors that define the jobs of the future. Our curricula will incorporate micro-credentials and industry-recognized certifications to strengthen graduate employability and career readiness.

Our mission remains student-centered steadfast. We will expand experiential learning opportunities—including internships and cooperative education—while fostering a caring and supportive teaching and learning environment. By reimagining our financial models and operational efficiencies, we will prioritize investments in programs and tools that empower our students to compete and lead in a rapidly changing job market.

I extend my sincere gratitude to the Board of Trustees, our distinguished faculty, and our dedicated staff for their unwavering commitment to transforming lives through education and providing clear pathways to academic and workforce success.

Sincerely,

A handwritten signature in cursive script that reads "Margaret Ford Fisher".

Margaret Ford Fisher, Ed.D. Chancellor

December XX, 2025

To the Honorable Chair and Members of the Board of Trustees, Chancellor, and Citizens of Houston City College

We are honored to present the Annual Comprehensive Financial Report (ACFR) of Houston City College (HCC) for the fiscal years ended August 31, 2025, and 2024. This financial report provides detailed information about the financial position and activities of HCC. The reliability of the information contained in this report is based upon a comprehensive framework of internal controls. Such internal controls are designed to provide reasonable, rather than an absolute, assurance that the financial statements fairly present the financial position and results of operations of HCC and are free of material misstatement. Responsibility for the preparation and integrity of the financial information, the completeness and fairness of the presentation, including all disclosures, rests with HCC.

Annual Comprehensive Financial Report

HCC's ACFR is prepared by the College's Division of Finance and Administration. The financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) as established by the Governmental Accounting Standards Board (GASB). The financial statements also comply with the Annual Financial Reporting Requirements for Texas Public Community Colleges as set forth by the Texas Higher Education Coordinating Board (THECB). The notes provided in the financial section are considered an integral part of the financial statements and are essential for fair and adequate disclosure of all information. Additionally, attention should be given to Management's Discussion and Analysis which provides the reader with a narrative introduction, overview, and analysis of the financial statements.

Reporting Entity

HCC is a special-purpose governmental entity engaged solely in business-type activities (BTA). As such, the financial statement presentation combines all fund groups into a single column and resembles the format of a corporate presentation as defined by GASB. This reporting model also serves to make the financial statements more comparable across organizations.

The Houston City College Foundation (Foundation) is reported as a component unit of HCC using a discrete presentation. This is in accordance with the criteria established by GASB Statement No. 61, The Financial Reporting Entity: Omnibus – An Amendment of GASB Statements No. 14 and 34 and GASB Statement No. 39, Determining Whether Certain Organizations are Component Units – An Amendment of GASB Statement No. 14.

Organization and Governance Structure

Houston Community College System (HCCS) was established as a public community college by the voters of the Houston Independent School District (HISD) through a referendum on May 8, 1971. By 1977, HCCS was accredited by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC). In 1989, HCCS separated from HISD, establishing its Board of Trustees and taxing authority.

On June 18, 2025, the Board of Trustees approved a name change to Houston City College (HCC). The name change and rebranding will create long term sustainability for HCC in a highly competitive environment, promote growth and market competitiveness to better serve students and communities to achieve success. In the Fall of 2025, we launched our rebranding campaign to redefine and reshape HCC's identity, image, and messaging to better reflect our mission, values, and evolving goals. It will strengthen our reputation, increase enrollment, and deepen community engagement. This reimagining positions HCC as a forward-looking higher education leader with a strong presence in the Houston region and a growing global reach online.

HCC operates under the Constitution of the State of Texas and the Texas Education Code. It is governed by an elected nine-member Board of Trustees who serve without remuneration. The trustees are elected from single-member districts to staggered six-year terms and as a body, have final authority to determine and interpret the policies that govern HCC. It has oversight responsibility for HCC's activities, limited only by the state legislature, the courts, and the will of the people as expressed in Board of Trustee elections. Official Board action is taken in meetings that comply with the Texas Open Meetings Act.

HCC's Board of Trustees has a strong committee structure, and those committees meet on the first Wednesday of each month. Unless otherwise announced, regular meetings of the Board are held on the third Wednesday of each month at Houston City College Administrative Building, 3100 Main Street, 2nd Floor Auditorium, Houston, TX 77002. Other meetings such as workshops and special meetings are held on an as-needed basis. Public notices of all meetings are posted on the HCC website and at the Administrative Building whenever it is practical.

Board members represent an impressive mix of individual talents and professional backgrounds enabling them to provide governance of the highest quality. As part of their duties, the trustees maintain a full schedule of community service, public appearances, speaking engagements and legislative affairs on behalf of HCC.

Economic Condition and Outlook

Houston is ranked as one of the fastest growing cities in America by the US census which supports the following facts.

Houston, with approximately 2.3 million residents, is the fourth largest city in America in terms of population, behind New York, Los Angeles, and Chicago. It is the largest city in Texas. The community is approximately one hour from the Texas Gulf Coast. The area is very economically, educationally, and ethnically diverse. The median household income is \$62,894 with a poverty rate of 19.7%. The population's ethnicity is 39.2% Hispanic, 31.2% White, 17.0% African American, 8.6% Asian, and 3.9% Other. The median age in Houston, including males and females, is 34.3 years.

As diverse as the city, Houston City College is a diverse and complex multi-campus institution accredited as a level II institution by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) to award associate degrees and baccalaureates.

Economic Value of Houston City College

HCC is an open-admission, public institution of higher education offering a high-quality, affordable education for academic advancement, workforce training, career development, and lifelong learning to prepare individuals in our diverse communities for life and work in a global and technological society. A 2024 Economic Impact study published by Lightcast highlights the positive impact economic impact of HCC for students and the community. The study indicates that in Fiscal Year 2022-23 HCC added \$3.9 billion in income to the HCC Service Area Economy including a net impact of former students currently employed in the regional economy of \$3.4 billion. For every

\$1.00 spent, students gained \$4.80 in lifetime earnings, taxpayers gained \$1.70 in tax revenue and public sector savings and society gained \$11.30 in added income and social savings.

This phenomenal impact supported by ongoing partnerships with industry and community partners to ensure that HCC continues to meet the workforce needs of the region. A few of these successful partnerships include:

- Houston City College (HCC) and representatives of the National Fluid Power Association (NFPA) signed a Memorandum of Understanding (MOU) through which the college will serve as a Fast Track to Fluid Power Hub to help train the next generation of trained workforce candidates for the fluid power industry.
- Miami Dade College (MDC), in partnership with Houston City College (HCC) and Maricopa County Community College District (MCCCD), has been awarded \$2.8 million from the National Science Foundation Advanced Technological Education (NSF ATE) program to create the National Applied

Artificial Intelligence Consortium (NAAIC), a groundbreaking initiative that aims to foster the growth of technician-level artificial intelligence (AI) professionals across the nation.

- Bank of America has selected HCC as a 2024 Neighborhood Builder, awarding the college \$200,000 to launch the Yellow Brick Road Project, an innovative initiative designed to transform access to higher education in Southeast Houston's underserved communities.
- The Lennar Foundation has agreed to a partnership with HCC to launch a transformative workforce training program aimed at providing support for HCC Adult Education and Literacy students with an interest in careers in construction.
- Fort Bend Chamber of Commerce and HCC signed an agreement solidifying a workforce training partnership as part of the Texas Reskilling and Upskilling Through Education (TRUE) grant. The grant is aimed at expanding workforce training programs in high-demand technology fields, providing residents with industry-recognized certifications and creating career pathways in the region. HCC's Digital and Information Technology Center of Excellence will use the funding to provide scholarships for residents seeking job-ready certifications in A+, Network+, and Security+. In addition to technical training, students will receive soft skills training to enhance their interpersonal and leadership skills.
- Houston City College's Gulf Coast Region Apprenticeship Hub received a \$282,000 grant from the Texas Workforce Commission as part of the Apprenticeship Training Program. The funds will support HCC in delivering apprenticeship-related instruction in high-demand occupations, including plumbing, sheet metal and electrical technician pathways.

Financial Information

HCC has three main sources of revenue:

1. Tuition and Fees – Total operating revenues amounted to \$120.4 million; an increase of \$6 million, compared to last year's \$114.4 million. This overall increase was mainly due to growth in enrollment which generated an increase in tuition and fees. In May 2023, the Board of Trustees approved the rates, which proposed no changes from the prior year, making the following schedule of tuition and fee rates effective Fall 2025:
 - a. \$ 33.00 per credit hour – Tuition In-District
 - b. \$ 121.00 per credit hour – Tuition Out-of-District
 - c. \$ 151.00 per credit hour – Tuition Out-of-State
 - d. \$ 25.00 per credit hour – Technology Fee
 - e. \$ 25.50 per credit hour – General Fee In-District
 - f. \$ 33.50 per credit hour – General Fee Out-of-District
 - g. \$ 50.00 per credit hour – General Fee Out-of-State
 - h. \$ 42.00 per course – Distance Education Fee
 - i. \$ 1.00 per credit hour (not to exceed \$12.00) – Student Activity Fee
 - j. \$ 6.00 per term – Recreation Fee
 - k. \$ 5.00 per credit hour- Building Use Fee Effective Spring 2024 for classes at Katy Campus
2. State Appropriations – During the fiscal year 2025, HCC received a total of \$95.4 million in state appropriations. This is an increase of \$5.5 million compared to last year. The increase is primarily related to a dynamic adjustment made by the state related to implementation of their new funding model.
3. Ad Valorem Taxes – In 2025, Ad Valorem Taxes increased by \$18.6 million. maintenance and operations ad valorem taxes amounted to \$223.6 million and debt service ad valorem taxes amounted to \$41.4 million for a total of \$265 million. The total ad valorem tax rate for calendar year 2024 (fiscal year 2025) increased to \$0.096183, compared to calendar year 2023 (fiscal year 2024) at \$0.092231.
4. Operating expenses increased \$63.7 million in fiscal year 2025 primarily due to increases in salaries & benefits and scholarships, related to enrollment growth.

Financial Health and Sustainability

Houston City College’s fiscal practices support our commitment to providing high-quality, accessible, and affordable education to all our students. The conservative organizational stewardship exhibited by our Board of Trustees and administrative leaders has allowed HCC to maintain a very strong financial position while expanding necessary services and programs that contribute to the growth of our regional economy.

The FY 2025 budget focused on the Board adopted priorities as described in the College’s strategic plan “Embracing Houston’s Future”: Student Success, Personalized Learning, Academic Rigor, Community Investment, and making HCC the “College of Choice”.

The College's operating budget for 2025 was approved at \$468 million, which is up from the \$421 million approved in 2024. This increase in budget was attributed to funding needed for Deferred Maintenance, IT Infrastructure and Safety and Security enhancements.

Financial highlights include:

- The Composite Financial Index (CFI) and the Equity and Leverage Ratios are above the Texas Higher Education Coordinating Board’s Acceptable Standard and in line with the larger Texas community colleges. According to the Composite Financial Index report, HCC’s CFI score was 6.9, displaying no financial stress indicators.
- HCC ranks among the lowest tuition rates when comparing in-district, out-of-district and out-of-state rates to our peers.
- Days Cash on Hand (DCOH) is 217 days which represents \$184.6 million and exceeds the required minimum by 37 days and \$37.9 million.
- The Board’s investment strategies are prudent and in compliance with the Public Funds Investment Act.
- HCC’s bond credit ratings remain strong and stable.

HCC’s Bond Credit Ratings (8/31/2025)		
	Moody’s	Standard & Poor’s
General Obligation Bonds/MTNs/MTBs	Aaa	AA+
Maintenance Tax Bonds and Notes	Aaa	AA+
Senior and Jr Lien Revenue Bonds	Aa2	AA+

Strategic Plan FY 2025 and Budget Alignment

Embracing Houston’s Future – A Comprehensive Strategy serves as Houston City College’s roadmap for achieving its mission and vision. The plan aligns institutional priorities with measurable goals to promote student success, academic excellence, and community impact. It ensures that planning, assessment, and budgeting work together to advance the College’s long-term vision for 2030.

Mission

Houston City College is an open-admission, public institution of higher education offering a high-quality, affordable education for academic advancement, workforce training, career development, and lifelong learning to prepare individuals in our diverse communities for life and work in a global and technological society.

Vision

The College District will deliver relevant, high-quality education and training, ensuring success for all students, our community, economy, and beyond.

Budget Alignment

The College's budgeting process is directly linked to the goals outlined in Embracing Houston's Future. Each fiscal year, institutional priorities drive funding decisions to ensure that resources are used efficiently and strategically. Budget allocations support programs, initiatives, and services that promote student achievement, strengthen academic quality, and expand community partnerships. Through this integrated approach, planning and budgeting operate as a single cycle of improvement—where data from assessment and evaluation inform funding priorities, and funded initiatives demonstrate measurable results. This alignment promotes transparency, accountability, and fiscal stewardship while advancing student success and institutional excellence.

Strategic Priorities

The strategic priorities outlined in Embracing Houston's Future provide a focused framework for institutional action, accountability, and continuous improvement.

- Student Success – Build and sustain a personalized student experience that supports learning, achievement, and readiness for career or transfer.
- Personalized Learning – Deliver customized, student-driven instruction and assessments that meet individual needs and aspirations.
- Academic Rigor – Maintain high academic standards that challenge students and promote measurable learning outcomes.
- Community Investment – Partner with local and regional stakeholders to expand opportunity and drive economic growth.
- College of Choice – Position Houston City College as the model for quality, innovation, and excellence in higher education.

Having identified the five key strategic priorities, HCC continues to work on these points, enhancing its reach of achieving the 2030 student success vision. Accountability is established through our performance indicators: award rate, transfer rate, and student employment outcomes. These goals ensure that we remain focused on student success.

HCC's FY25 Accomplishments and Awards:

HCC held its Spring 2025 Commencement at the NRG Center to celebrate the graduation of its first cohort of bachelor's degree recipients.

In 2025, Houston City College received the Association of Community College Trustees (ACCT) Western Regional CEO Award for Chancellor Margaret Ford Fisher.

Houston City College has launched a new Mold Maker Apprenticeship Program in partnership with Alcon, the global eye care leader. Delivered in collaboration with Alcon's Houston-based manufacturing facility, the program combines HCC's classroom instruction with on-the-job training and mentorship at Alcon. Apprentices are at work gaining firsthand experience in the specialized field of mold making and precision tooling, developing skills essential for operating, designing, and maintaining injection molds—key components in the production of Alcon's innovative eye care products.

Houston City College's (HCC) Emergency Medical Services (EMS) program has been recognized as the top EMS education program in Texas, according to a comprehensive analysis of 2024 National Registry of Emergency Medical Technicians.

Houston City College (HCC) has launched its new LVN to ADN program at HCC Coleman College for Health Sciences, helping to address the state and national shortage of nurses. This program makes it possible for hardworking nurses to advance their careers faster and with less financial burden, so they can achieve their goals and make a greater impact in their communities.

Four students from HCC Coleman College set a precedent as the first students from a two-year institution to attend the National School of Tropical Medicine (NSTM) at Baylor College of Medicine (BCM) Summer Institute June 9-20, 2025. This summer institute is designed to introduce students to the field of tropical medicine, covering areas such as global health, epidemiology, and public health. It has traditionally been open to health science students from four-year universities.

Samir Saber, dean of the Digital and Information Technology Center of Excellence and executive director of Workforce Technology at Houston City College Southwest, has been recognized as “Ally for AI of the Year” by Women in AI. Saber helped HCC launch its pioneering Bachelor of Applied Technology in AI and Robotics degree, one of the nation’s first programs of its type at the community college level. Its graduates have since gone on to join leading companies, contributing to innovative work in the rapidly evolving AI field.

In a landmark partnership aimed at enhancing law enforcement education and community trust, the Fort Bend County Sheriff’s Office (FBCSO) and Houston City College (HCC) have established an agreement to award college credit hours to cadets from the Gus George Law Enforcement Academy for their successful completion of the Basic Peace Officer Course training. This collaboration underscores the growing importance of formal education in law enforcement, where critical thinking, ethical reasoning, problem-solving and adaptability are key to meeting the demands of modern policing.

Houston City College (HCC) advances to the final round of the prestigious Community College Innovation Challenge, a national competition hosted by the American Association of Community Colleges and the National Science Foundation. The HCC team earned its spot in the finals with the development of the NanoSense Mask, an innovative piece of safety equipment designed specifically for first responders. The advanced mask integrates real-time sensor technology to detect harmful gases and monitor vital signs and could offer enhanced protection on the front lines of emergencies.

Houston City College (HCC) played a pivotal role in HTR 2025, a week-long celebration of tech, innovation and entrepreneurial impact held from March 23-27, across Houston. The HTR 2025's mission unites innovators, entrepreneurs and tech talent, HCC hosted a series of impactful programs across three campuses, contributing significantly to the event's core programming, which remained free to participants thanks to generous ecosystem partners.

HCC supported and hosted its 2025 Business Plan Competition, an initiative to foster entrepreneurship and economic growth in Houston.

Budget Control

The Board of Trustees adopts an operating budget annually, providing authority to expend funds in accordance with state law, board policy, and HCC approved budgeting procedures. Included in the annual budget are the activities of the Unrestricted, Restricted, Auxiliary, Capital and Technology, and Retirement of Debt Service funds.

The Office of Fiscal Planning and Budget monitors the overall budget activities. Internal controls have been implemented to ensure that expenses fall within the budget and purchasing guidelines. Monthly financial and budget reports, which include the status of all HCC funds and accounts, are submitted to the Board of Trustees as an action item for approval.

Independent Audit

State statutes require an annual audit by Independent Auditors. The purpose of an independent audit is to provide assurance, based on independent review and testing, that the basic financial statements and accompanying notes are fairly stated in all material aspects. HCC’s Board of Trustees selected the accounting firm of Forvis Mazars LLP to perform the annual financial audit starting in fiscal year 2024 through fiscal year 2028. In addition to meeting the state statute’s requirements, their audit was also designed to meet the requirements of the Federal Single Audit Amendments of 1996 and related Uniform Guidance and Texas Grant Management Standards (TxGMS). The Single Audit financial reports consist of the Schedule of Expenditures of State of Texas Awards, the Schedule of

Expenditures of Federal Awards and the auditor’s report on compliance and internal controls. Additionally, Forvis Mazars reviews HCC’s compliance with the Public Funds Investment Act.

Acknowledgement

The HCC staff and faculty thank the Board of Trustees for their oversight and unfailing support in advancing the highest standards of integrity, transparency, and accountability in the college's financial operations. We also wish to acknowledge the Chancellor for providing the leadership and the resources necessary to achieve HCC's strong financial position and prepare this financial report.

Credit also goes to the Finance and Administration Division and all members of the staff for their hard work and dedication in preparing the ACFR. Finally, we would like to thank the accounting firm of Forvis Mazars, LLP for their assistance with the audit.

Respectfully submitted,



Robert McCracken, MBA, ARM
Vice Chancellor of Administration & Operations



Dawn Stephens, MBA
Interim Associate Vice Chancellor of Finance & Accounting



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For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

August 31, 2024

Christopher P. Morrell

Executive Director/CEO

FINANCIAL SECTION

NEED UPDATED

REPORT OF INDEPENDENT AUDITORS

PLACE HOLDER

DRAFT

REPORT OF INDEPENDENT AUDITORS

PLACE HOLDER

DRAFT

REPORT OF INDEPENDENT AUDITORS

PLACE HOLDER

DRAFT

HOUSTON CITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

INTRODUCTION

Management's discussion and analysis of the annual financial statements for Houston City College (HCC) is designed to help readers understand some of the conditions and events contributing to the current financial position of HCC as well as to point out trends and changes in the results of operations. Please read it in conjunction with the Chancellor's Letter, the Transmittal Letter, HCC's basic financial statements, and Notes to the Financial Statements. Responsibility for the completeness and fairness of this information rests with HCC. For purposes of the summary and discussion, the terms "2025", "2024" and "2023" refer to fiscal years ended August 31, 2025, August 31, 2024, and August 31, 2023, respectively.

OVERVIEW OF FINANCIAL STATEMENTS

HCC is considered a special-purpose government engaged in business-type activities according to the definition in Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34* (GASB 61). The requirements of this Statement result in financial statements being more relevant by improving guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity. The resulting financial statement format focuses on HCC as a whole. The basic financial statements are designed to emulate the corporate presentation model whereby HCC's fiscal activities are consolidated into one column total. Comparative data from the prior year is shown in a separate column on the face of each of the statements. The financial results and position are presented as of, and for the years ended August 31, 2025 and 2024 and consists of three primary statements: Statements of Net Position; Statements of Revenues, Expenses, and Changes in Net Position; and Statements of Cash Flows.

The Houston Community College Foundation (the "Foundation") is a non-profit organization established in 1976 with its sole purpose being to provide benefits such as scholarships and grants to students of HCC. The Foundation has been discretely presented in HCC's financial statements as a component unit by including its Statements of Financial Position and Activities in HCC's Annual Comprehensive Financial Report (ACFR) in accordance with GASB 61. Since the financial statements of the Foundation are presented in a different format than those of HCC, the Foundation's financial statements are presented on separate pages from HCC's financial statements.

Financial Highlights for Fiscal Year 2025

- Total assets increased by \$11.4 million from fiscal year 2024. This is primarily due to an increase in ad valorem tax collections and an increase in tuition and fees income. Other long-term investments increased by \$76.1 million while short-term investments decreased by \$24.3 million due to the reallocation of the portfolio in response to declining interest rates.
- Total liabilities decreased by \$47.8 million primarily due to a \$48.2 million decrease in outstanding debt in fiscal year 2025 which was attributable to principal payments of \$41.9 million and premium amortization of \$6.2 million. Net pension liability (GASB 68) decreased by \$13.1 million due to a decrease in HCC's proportionate share. Additionally, unearned revenue decreased by \$7.1 million. The decrease is offset by an increase in net OPEB liability (GASB 75) of \$13.3 million due to changes in actuarial assumptions from 2024 to 2025. And, accrued liabilities decreased by \$9.5 million mainly related to decreases in capital projects expenditures. There was no new borrowing in FY 2025. HCC continued with its strategic initiative to pay down outstanding debt and utilizing the fund balance for deferred maintenance projects instead of issuing new debt.

HOUSTON CITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

- HCC's net position at August 31, 2025 was \$808.5 million, which includes the effects of GASB Statement No. 68 (Pension) and GASB Statement No. 75 (OPEB) expenses, reflecting a \$74.1 million increase from the prior year. While GASB No. 68 and GASB No. 75 expenses had no material effect on net position, this increase was mainly attributable to the reduction of liabilities.
- Operating revenue increased \$6 million primarily due to an increase in tuition and fees of \$4.5 million because of enrollment increases. Also, grants and auxiliary revenue increased by \$1.5 million. The \$51.3 million increase in non-operating revenues is largely related to the \$18.6 million increase in ad valorem taxes due to increases in property valuations. In addition, Pell revenue increased by \$26.9 million. The increase is offset by a decrease in investment revenue of \$2.1 million because of market volatility.
- Operating expenses by functional and natural classifications increased in fiscal year 2025 by \$63.7 million or 13.3% compared to fiscal year 2024. The increase is primarily due to salary increases and scholarships and fellowships expenses associated with an increase in Pell disbursements and an increase in institutional scholarships targeted at retention. Also, departmental expenses increased by \$16.7 million primarily due to the build-out of new study spaces and other technical equipment for students.

Statements of Net Position

The Statements of Net Position represent HCC's financial position at the end of each fiscal year presented and include all assets, liabilities and deferred inflows and outflows of resources of HCC. Net Position is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources and serves as a general indicator of financial stability.

From the data presented, readers of the financial statements are able to determine the assets available to continue operations of HCC and how much HCC owes vendors, investors and lending institutions.

Current liabilities are generally those liabilities which are due within one year, and current assets are those assets which are available to satisfy current liabilities. Non-current assets include restricted cash and cash equivalents, capital assets, investments and other assets not classified as current. Non-current liabilities include bonds payable and other long-term commitments.

GASB No. 75 (OPEB) and GASB No. 68 (Pension) continue to impact the current year's Statement of Net Position, including changes in liabilities, deferred inflows and outflows of resources and net position as described more fully in appropriate sections of this MD&A and Notes 14 and 21 in the accompanying Notes to the Financial Statements.

HOUSTON CITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

In order to show the trends for the two years presented in the Statements of Net Position, a summary of three years of data for the fiscal years ended August 31, 2023 through 2025 is presented below.

Statements of Net Position

				Change	
	2025	2024	2023	2024 to 2025	2023 to 2024
ASSETS:					
Current Assets	\$ 277,359,227	\$ 335,671,118	\$ 335,981,958	\$ (58,311,891)	\$ (310,840)
Non-current Assets	272,606,167	192,947,198	131,899,822	79,658,969	61,047,376
Capital Assets, Net	1,134,300,351	1,144,265,340	1,156,138,755	(9,964,989)	(11,873,415)
Total Assets	1,684,265,745	1,672,883,656	1,624,020,535	11,382,089	48,863,121
DEFERRED OUTFLOWS OF RESOURCES					
Advance Funding Valuation	1,300,727	1,563,806	1,826,885	(263,079)	(263,079)
OPEB	12,647,768	9,794,624	28,637,337	2,853,144	(18,842,713)
Pension	19,860,348	37,434,988	36,446,112	(17,574,640)	988,876
Total Deferred Outflows of Resources	33,808,843	48,793,418	66,910,334	(14,984,575)	(18,116,916)
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	\$ 1,718,074,588	\$ 1,721,677,074	\$ 1,690,930,869	\$ (3,602,486)	\$ 30,746,205
LIABILITIES:					
Current Liabilities	124,430,213	127,044,719	109,308,842	(2,614,506)	17,735,877
Non-current Liabilities	707,230,678	752,407,733	802,503,542	(45,177,055)	(50,095,809)
Total Liabilities	831,660,891	879,452,452	911,812,384	(47,791,561)	(32,359,932)
DEFERRED INFLOWS OF RESOURCES					
Advance Funding Valuation	8,356,137	9,840,817	11,325,497	(1,484,680)	(1,484,680)
Leasing	21,228,275	24,622,076	31,158,110	(3,393,801)	(6,536,034)
OPEB	41,352,953	60,962,942	63,670,152	(19,609,989)	(2,707,210)
Pension	7,020,792	12,477,761	17,083,562	(5,456,969)	(4,605,801)
Total Deferred Inflows of Resources	77,958,157	107,903,596	123,237,321	(29,945,439)	(15,333,725)
TOTAL LIABILITIES & DEFERRED INFLOWS OF RESOURCES	\$ 909,619,048	\$ 987,356,048	\$ 1,035,049,705	\$ (77,737,000)	\$ (47,693,657)
NET POSITION:					
Net Investment in Capital Assets	603,644,034	559,118,070	533,713,749	44,525,964	25,404,321
Restricted-Expendable	24,305,461	22,246,344	21,505,101	2,059,117	741,243
Unrestricted	180,506,045	152,956,611	100,662,312	27,549,434	52,294,299
TOTAL NET POSITION	\$ 808,455,540	\$ 734,321,025	\$ 655,881,162	\$ 74,134,515	\$ 78,439,863

HOUSTON CITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

Assets

Fiscal Year 2025:

In comparing fiscal year 2025 to 2024, overall assets increased by \$11.4 million. Current assets decreased by \$58.3 million. This comprised a \$36.2 million decrease in cash and a \$24.3 million decrease in other short-term investments primarily due to shifts in the portfolio in anticipation of rate cuts. The decrease is offset by an increase in prepaids of \$2.4 million. Non-current assets increased by \$69.7 million due to an increase in other long-term investments of \$76.1 million primarily due to a reallocation of the portfolio in anticipation of interest rate decreases. Restricted cash increased by \$5.8 million due to more income related to enrollment growth. The increase is offset by a decrease of \$10 million in capital assets. The decrease in capital assets is primarily attributable to depreciation being more than the current year's asset and CIP additions. Long-term lease receivables decreased by \$2.2 million, as rental payments are received receivables will decrease.

Fiscal Year 2024:

In comparing fiscal year 2024 to 2023, overall assets increased by \$48.9 million. Current assets decreased by \$0.3 million. This was comprised of a \$43.3 million increase in cash which was mainly due to increased property tax collection and investment interest income. Accounts receivable increased by \$4.5 million, primarily due to an increase in student receivables as a result of an increase in enrollment. Also, prepaids increased by \$0.6 million. The increase is offset by a decrease in other short-term investments of \$49.2 million. Non-current assets increased by \$49.2 million due to an increase in other long-term investment of \$76.3 million primarily due to a reallocation of the portfolio in anticipation of interest rate decreases. The increase is offset by a decrease of \$6.7 million in restricted cash due to an increase in CIP spending and a \$11.9 million decrease in capital assets. The decrease in capital assets is primarily attributable to depreciation being more than the current year's asset and CIP additions. Long-term lease receivables decreased by \$8.5 million due to a contract amendment that reduced future rental payments.

Deferred Outflows of Resources

Fiscal Year 2025:

Deferred outflows of resources decreased by \$15 million from fiscal year 2024 to fiscal year 2025. The decrease is primarily due to a decrease of \$17.6 million related to the difference between projected and actual investment earnings for GASB 68 (Pension). The decrease is offset by an increase of \$2.9 million related to GASB 75 (OPEB), mainly due to the changes in actuarial assumptions. Deferred outflows from advance funding valuations decreased by \$0.3 million.

Fiscal Year 2024:

Deferred outflows of resources decreased by \$18.1 million from fiscal year 2023 to fiscal year 2024. The primary decrease of \$18.8 million is related to a decrease in proportion and difference between employer contributions and proportionate share of contributions for GASB 75 (OPEB). The decrease is offset by an increase of \$1 million related to GASB 68 (Pensions), mainly due to the increase in TRS administrative expenses and an increase in member withdrawals. Deferred outflows from advance funding valuations decreased by \$0.3 million.

HOUSTON CITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

Liabilities

Fiscal Year 2025:

Overall liabilities decreased by \$47.8 million from fiscal year 2024 to fiscal year 2025. Current liabilities decreased by \$2.6 million, mainly attributable to a decrease of \$9.5 million in accrued liabilities related to decreases in capital project expenditures. Additionally, there were decreases in current bonds payable of \$3.2 million. Unearned revenue decreased by \$7.1 million. The decrease was offset by a \$11 million increase in compensated absences due to the implementation of GASB 101 and a change in the methodology of calculating the absences. Accounts payable increased by \$4 million and Subscription-Based IT Arrangements (SBITA) – current portion increased by \$2 million. Non-current liabilities decreased by \$45.2 million. The decrease is attributable primarily to debt principal payments of \$43.8 million, \$0.7 million in notes payable and \$0.9 million in SBITA liability. Although net pension liability decreased by \$13.1 million because of changes in HCC's proportionate share, it is offset by an increase in OPEB liability of \$13.8 million due to changes in actuarial assumptions.

Fiscal Year 2024:

Overall liabilities decreased by \$32.4 million from fiscal year 2023 to fiscal year 2024. Current liabilities increased by \$17.7 million, mainly attributable to a \$10.3 million increase in accrued liabilities related to increases in capital project expenditures. Additionally, there were increases in current bonds payable of \$2 million, \$1.1 million in accounts payable and \$3.6 million in unearned revenue due to an increase in enrollment for Fall 2024. Non-current liabilities decreased by \$50.1 million. The \$48.2 million decrease in bonds and notes payable is primarily attributable to principal payments of \$40 million and premium amortization of \$6.2 million. Net OPEB liability also decreased by \$15.3 million associated with a decrease in actuarial assumptions and in HCC's proportionate share. Offsetting the decrease is an increase in net pension liability of \$10.4 million which is contributable to increases in TRS administrative expenses and member withdrawals. SBITA liabilities increased by \$3 million due to new contracts acquired in FY 2024.

Deferred Inflows of Resources

Fiscal Year 2025:

Deferred inflows of resources decreased by \$29.9 million from fiscal year 2024 to fiscal year 2025. GASB 68 (Pension) decreased \$5.5 million and is mainly due to changes in proportion and difference between the employer's contributions and the proportionate share of contributions. The \$19.6 million decrease for GASB 75 (OPEB) is due to changes in actuarial assumptions. GASB 87 (Leases) decreased by \$3.4 million due to reduced future rent payments. Deferred inflows from advance funding valuations decreased by \$1.5 million.

Fiscal Year 2024:

Deferred inflows of resources decreased by \$15.3 million from fiscal year 2023 to fiscal year 2024. The decrease for GASB 68 (Pension) is \$4.6 million and is primarily due to increases in TRS administrative expenses and member withdrawals and \$2.7 million for GASB 75 (OPEB) due to a decrease in actuarial assumptions and in HCC's proportionate share. GASB 87 (Leases) decreased by \$6.5 million due to a lease modification that reduced future rent payments. Deferred inflows from advance funding valuations decreased by \$1.5 million.

Net Position

Fiscal Year 2025:

Overall, net position for 2025 is \$808.5 million, which is a \$74.1 million increase from 2024. Unrestricted net position increased in fiscal year 2025 from fiscal year 2024 by \$27.5 million. The GASB No. 68 and GASB No. 75 expenses were lower in fiscal year 2025 than fiscal year 2024 by \$14.1million which contributed to the increase. Net investment in capital assets increased \$44.5 million mainly due to the annual principal payments on the bonds which decreased liabilities. Restricted-Expendable increased by \$2.1 million.

HOUSTON CITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

Fiscal Year 2024:

Overall, net position for 2024 is \$734.3 million, which is a \$78.4 million increase from 2023. Current unrestricted increased in fiscal year 2024 from fiscal year 2023 by \$52.3 million. The GASB No. 68 and GASB No. 75 expenses were lower in fiscal year 2024 than fiscal year 2023 by \$3.2million which contributed to the increase. Net investment in capital assets increased \$25.4 million mainly due to the annual principal payments on the Bonds which decreased liabilities. Restricted-Expendable increased by \$0.7 million.

Net Position details are available in Schedule D.

Statements of Revenues, Expenses and Changes in Net Position

The Statements of Revenues, Expenses, and Changes in Net Position present the operating results, as well as non-operating revenues and expenses. Of the three main sources of revenue — ad valorem taxes, state appropriations, and tuition and fees — only tuition and fees represent an exchange for services. Taxes and state appropriations represent non-exchange transactions and thus are considered non-operating revenues. This approach to presenting revenues and expenses is intended to summarize and simplify the user's analysis of the various services offered to students and the public. Depending on whether revenues or expenses are greater for the year, a net increase or net decrease in net position is created. The ending balances of net position on these statements agree with those shown on the Statements of Net Position in Exhibit 1.

A summarized comparison of HCC's revenues, expenses and changes in net position for the years ended August 31, 2025, 2024, and 2023 are presented below.

Statements of Revenues, Expenses, and Changes in Net Position

	2025	2024	2023	Change	
				2024 to 2025	2023 to 2024
Operating Revenues	\$ 120,326,947	\$ 114,362,619	\$ 147,257,411	\$ 5,964,328	\$ (32,894,792)
Operating Expenses	542,905,301	479,158,055	474,154,751	63,747,246	5,003,304
Operating Loss	(422,578,354)	(364,795,436)	(326,897,340)	(57,782,918)	(37,898,096)
Non-operating Revenues, Net	496,712,868	443,235,299	406,616,889	53,477,569	36,618,410
Increase in Net Position	\$ 74,134,514	\$ 78,439,863	\$ 79,719,548	\$ (4,305,349)	\$ (1,279,686)
Beginning Net Position	734,321,025	655,881,162	576,161,614	78,439,863	79,719,548
Ending Net Position	<u>\$ 808,455,539</u>	<u>\$ 734,321,025</u>	<u>\$ 655,881,162</u>	<u>\$ 74,134,513</u>	<u>\$ 78,439,862</u>

Revenues

As described above and in accordance with GAAP, promulgated by GASB, state appropriations and ad valorem tax revenues are reported as non-operating revenues. This results in reporting a large operating loss which is significantly decreased after including these non-operating revenues that are intended to contribute to operations. State appropriations are restricted by law to be used only for the educational and general expenses, HCC's primary operations. Ad valorem tax revenues are broken into two types: those for maintenance and operations and those for debt service. The maintenance and operations portion is specifically designed to be utilized for operations.

HOUSTON CITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

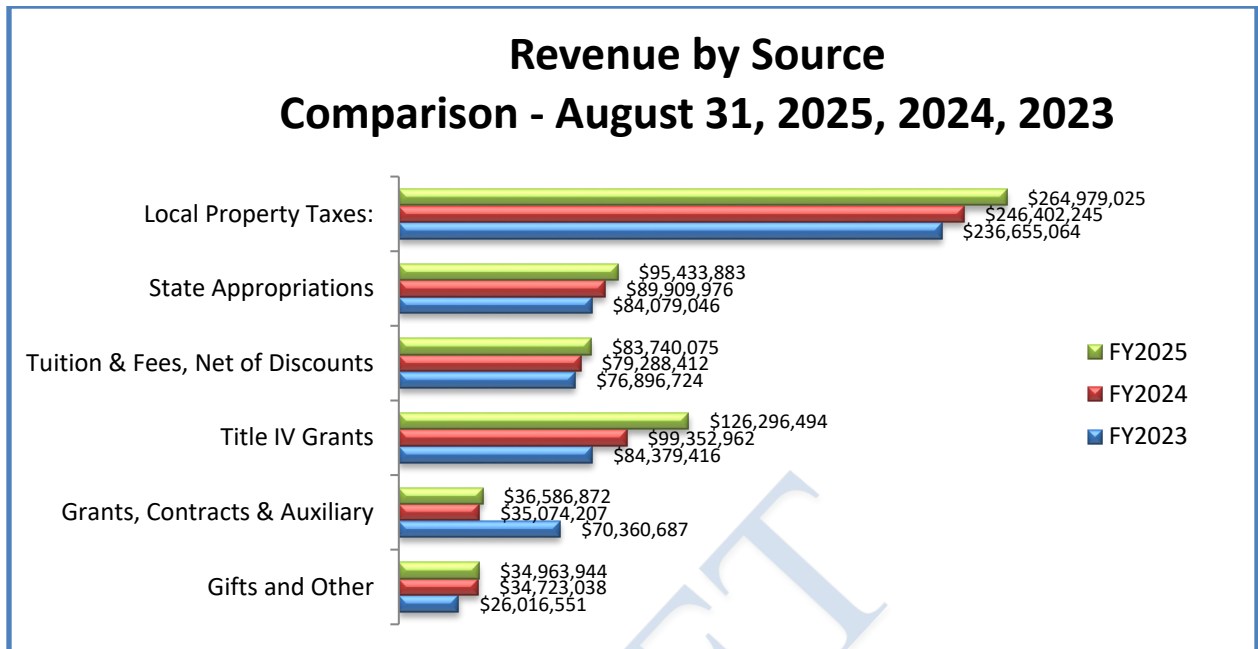
The debt service portion is restricted to pay the principal, interest, and other costs associated with tax backed bonds (General Obligation or GO bonds and maintenance tax notes). Interest revenue is obtained through pooled investments, a large portion of which is attributable to operations. Also, federal financial aid is classified as non-operating revenue by GASB.

All revenues, both operating and non-operating, are presented below.

	2025	2024	2023	Change	
				2024 to 2025	2023 to 2024
<u>OPERATING REVENUES:</u>					
Tuition & Fees, Net of Discounts	\$ 83,740,075	\$ 79,288,412	\$ 76,896,724	\$ 4,451,663	\$ 2,391,688
Grants, Contracts & Auxiliary:					
Federal	13,991,463	16,091,048	56,969,081	(2,099,585)	(40,878,033)
State	12,619,064	10,346,196	4,504,303	2,272,868	5,841,893
Local, Private & Non-governmental	3,423,353	2,718,587	2,744,490	704,766	(25,903)
Sales and Services	411,111	490,507	754,350	(79,396)	(263,843)
Auxiliary	6,141,881	5,427,869	5,388,463	714,012	39,406
Total Grants, Contracts & Auxiliary	36,586,872	35,074,207	70,360,687	1,512,665	(35,286,480)
TOTAL OPERATING REVENUES	120,326,947	114,362,619	147,257,411	5,964,328	(32,894,792)
<u>NON-OPERATING REVENUES:</u>					
State Appropriations:					
Unrestricted	68,859,826	64,116,930	63,636,001	4,742,896	480,929
Restricted	26,574,057	25,793,046	20,443,045	781,011	5,350,001
Total State Appropriations	95,433,883	89,909,976	84,079,046	5,523,907	5,830,930
Local Property Taxes:					
M & O	223,625,501	207,936,451	195,283,182	15,689,050	12,653,269
Debt	41,353,524	38,465,794	41,371,882	2,887,730	(2,906,088)
Total Local Property Taxes	264,979,025	246,402,245	236,655,064	18,576,780	9,747,181
Title IV Grants	126,296,494	99,352,962	84,379,416	26,943,532	14,973,546
Gifts and Other:					
Gifts	2,849,086	2,354,110	2,107,580	494,976	246,530
HEERF Revenue Recovery	-	-	1,190,604	-	(1,190,604)
FAST State Reimbursement	5,755,570	4,448,124	-	1,307,446	4,448,124
Other	26,359,288	27,920,804	22,718,367	(1,561,516)	5,202,437
Total Gifts and Other	34,963,944	34,723,038	26,016,551	240,906	8,706,487
TOTAL NON-OPERATING REVENUES	521,673,346	470,388,221	431,130,077	51,285,125	39,258,144
TOTAL REVENUES	\$ 642,000,293	\$ 584,750,840	\$ 578,387,488	\$ 57,249,453	\$ 6,363,352

HOUSTON CITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

Revenue by Source



Fiscal Year 2025:

Overall, operating revenues increased by \$6 million or 5.22% in fiscal year 2025 as compared to fiscal year 2024 (Exhibit 2). The increase is mainly due to a \$4.5 million increase in tuition and fees due to enrollment growth. State grants increased by \$2.3 million related to an increase in TEOG allocations from the state and local grants increased by \$0.7 million. The increase is offset by a decrease in federal grants of \$2.1 million due to expiration of HEERF grants.

Non-operating revenues increased by \$51.3 million or 10.9% over the previous year (Schedule C). The increase is largely related to the \$26.9 million increase in Title IV grant revenue, related to Pell. Ad valorem taxes increased \$18.6 million due to increases in property valuations. State appropriations increased by \$5.5 million mainly due to adjustments made by the state related to implementation of the new funding model. In addition, in fiscal year 2025, FAST state reimbursements revenue increased by \$1.3 million as a result of increases in dual credit enrollment. The increase is offset by a decrease in investment income of \$2.1 million due to the declining interest rates.

Fiscal Year 2024:

Overall, operating revenues decreased by \$32.9 million or 22.3% in fiscal year 2024 as compared to fiscal year 2023 (Exhibit 2). The decrease is mainly due to decreases in HEERF federal grants of \$40.9 million. Sales and services also decreased by \$0.3 million. The decrease is offset by an increase in tuition and fee revenue of \$2.4 million associated with an increase in enrollments and an increase in state grants of \$5.8 million related to an increase in TEOG allocations from the state.

Non-operating revenues increased by \$39.3 million or 9.1% over the previous year (Schedule C). The increase is largely related to the \$15 million increase in Title IV grant revenue, related to Pell. Investment income increased by \$6.3 million due to higher interest rates and ad valorem taxes increased \$9.7 million due to increases in property valuations. Restricted state appropriations increased by \$5.4 million due to the effect of GASB 68 and 75. In addition, in fiscal year 2024, HCC received \$4.4 million in FAST state reimbursements revenue, related to the state's new funding model. The increase is offset by a decrease in HEERF revenue of \$1.2 million as recoveries have ended.

HOUSTON CITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

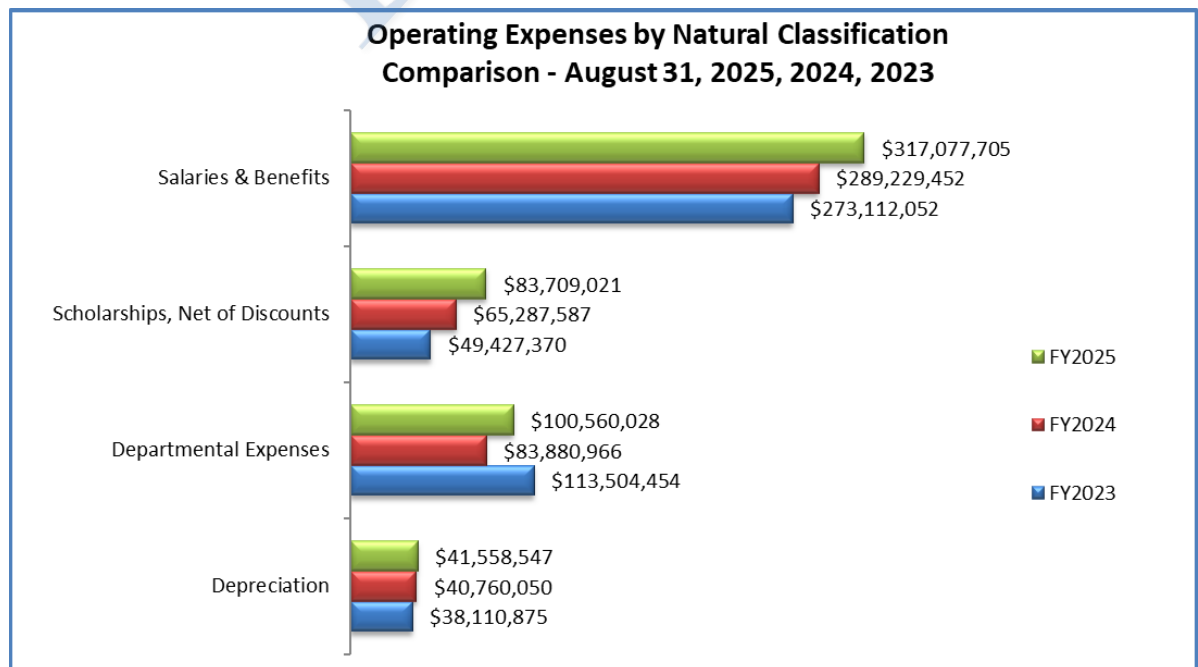
Expenses

Total Operating Expenses increased by \$63.7 million due largely to increases in salaries and benefits and scholarships. Salaries and benefits increased \$27.8 million due to a Board approved salary increase of 2% for full-time faculty and staff, part-time hourly staff received a 1.5% increase. Scholarship expenses increased \$18.4 million due to an increase in institutional scholarships targeted at retention. In addition, departmental expenses increased by \$16.7 million primarily due to the build-out of new study spaces and other technical equipment for students. GASB 68 (Pension) and 75 (OPEB) expenses decreased also, mainly due to a decrease in HCC's proportionate share of the expenses.

Operating Expenses are presented in two formats: Natural Classification and Functional Classification. The Natural Classification is intended to show "what" the dollars were spent on and the Functional Classification shows "who" spent the dollars.

The schedules below provide a three-year historical record of the use of funds by natural and functional classification. A schedule of pension and OPEB expenses has been added to show the impact of GASB No. 68 (Pension) and GASB No. 75 (OPEB) on total expenses for the three-year period. The expenses reported include both restricted and unrestricted funds.

	Operating Expenses by Natural Classification						Change	
	2025	% of Total	2024	% of Total	2023	% of Total	2024 to 2025	2023 to 2024
Salaries & Benefits	\$317,077,705	58.4%	\$289,229,452	60.4%	\$273,112,052	57.6%	\$27,848,254	\$16,117,400
Scholarships, Net of Discounts	83,709,021	15.4%	65,287,587	13.6%	49,427,370	10.4%	18,421,434	15,860,217
Departmental Expenses	100,560,028	18.5%	83,880,966	17.5%	113,504,454	23.9%	16,679,062	(29,623,488)
Depreciation	41,558,547	7.7%	40,760,050	8.5%	38,110,875	8.0%	798,497	2,649,175
Total Operating Expenses	<u>\$542,905,301</u>	100%	<u>\$479,158,055</u>	100%	<u>\$474,154,751</u>	100%	<u>\$63,747,247</u>	<u>\$5,003,304</u>



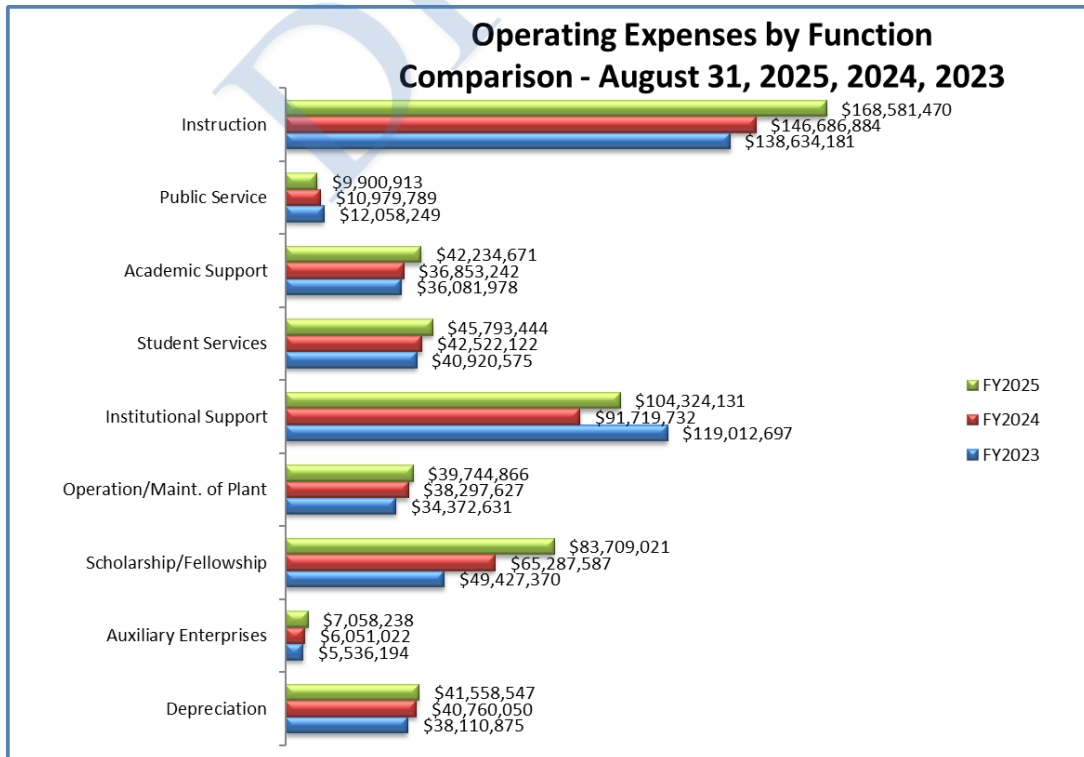
**HOUSTON CITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)**

**Pension and OPEB Expenses
(Included in Salaries & Benefits)**

							Change	
	2025	% of Total	2024	% of Total	2023	% of Total	2024 to 2025	2023 to 2024
GASB 68 - Pension	\$ 8,521,553	-4948.9%	\$ 13,310,166	95.3%	\$ 6,917,254	40.2%	\$ (4,788,613)	\$ 6,392,912
GASB 75 - OPEB	(8,693,745)	5048.9%	660,324	4.7%	10,273,287	59.8%	(9,354,069)	(9,612,963)
Total Pension & OPEB Expenses	<u>\$ (172,192)</u>	100%	<u>\$ 13,970,490</u>	100%	<u>\$ 17,190,541</u>	100%	<u>\$(14,142,682)</u>	<u>\$ (3,220,052)</u>

Operating Expenses by Functional Classification

							Change	
	2025	% of Total	2024	% of Total	2023	% of Total	2024 to 2025	2023 to 2024
Instruction	\$ 168,581,470	31.1%	\$ 146,686,884	30.6%	\$ 138,634,181	29.2%	\$ 21,894,586	\$ 8,052,703
Public Service	9,900,913	1.8%	10,979,789	2.3%	12,058,249	2.5%	(1,078,876)	(1,078,460)
Academic Support	42,234,671	7.8%	36,853,242	7.7%	36,081,978	7.6%	5,381,429	771,264
Student Services	45,793,444	8.4%	42,522,122	8.9%	40,920,575	8.6%	3,271,322	1,601,547
Institutional Support	104,324,131	19.2%	91,719,732	19.1%	119,012,697	25.1%	12,604,399	(27,292,965)
Operation/Maint. of Plant	39,744,866	7.3%	38,297,627	8.0%	34,372,631	7.2%	1,447,239	3,924,996
Scholarship/Fellowship	83,709,021	15.4%	65,287,587	13.6%	49,427,370	10.4%	18,421,434	15,860,217
Auxiliary Enterprises	7,058,238	1.3%	6,051,022	1.3%	5,536,194	1.2%	1,007,216	514,828
Depreciation	41,558,547	7.7%	40,760,050	8.5%	38,110,875	8.0%	798,497	2,649,175
Total Operating Expense	<u>\$ 542,905,301</u>	100%	<u>\$ 479,158,055</u>	100%	<u>\$ 474,154,750</u>	100%	<u>\$ 63,747,246</u>	<u>\$ 5,003,305</u>



HOUSTON CITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

Fiscal Year 2025:

Operating expenses by functional classification increased in fiscal year 2025 by \$63.7 million due largely to an increase of \$18.4 million in the Scholarship/Fellowship category due to an increase in Pell disbursements. There were also increases in instruction of \$21.9 million, academic support of \$5.4 million, student services of \$3.3 million, institutional support of \$12.6 million and operations and maintenance of plant of \$1.4 million primarily due to a Board approved salary increase of 2% for full-time faculty and staff, part-time hourly staff received a 1.5% increase. Also, auxiliary expenses increased by \$1 million. The increases are offset by a decrease in pension and OPEB expense of \$14.1 million and public service of \$1.1 million.

Fiscal Year 2024:

Operating expenses by functional classification increased in fiscal year 2024 by \$5 million due largely to an increase of \$15.9 million in the Scholarship/Fellowship category due to an increase in Pell disbursements. There were also increases in instruction of \$8.1 million, academic support of \$0.8 million, student services of \$1.6 million and operations and maintenance of plant of \$3.9 million primarily due to an increase in GASB 68 (Pension) expenses and a Board approved salary increase of 4% for full-time employees, part-time hourly staff, and an additional 3.5% for faculty leveling. Also, auxiliary expenses increased by \$0.5 million. The increases are offset by a decrease in institutional support of \$27.3 million primarily related to reductions in HEERF grant expenses and public service of \$1.1 million.

The Foundation

As required by the reporting entity criteria in GASB 61, HCC includes the Statements of Financial Position and Statements of Activities for the Foundation in its ACFR. For the fiscal year ended August 31, 2025, the Foundation's total assets were \$28.6 million, an amount that represents 2% of HCC's total assets for the same period. For the fiscal year ended August 31, 2024, the Foundation's total assets were \$24.3 million, which represents 1% of HCC's total assets for the same fiscal year. The income from the Foundation is partially used to fund scholarships and grants for the students of HCC. However, most of the Foundation's net assets have donor restrictions and therefore not available for HCC's direct use. The Foundation net assets with donor restrictions were \$23.9 million and \$21.9 million for the fiscal years ended August 31, 2025 and 2024, respectively.

Statements of Cash Flows

The Statements of Cash Flows combine information from the Statements of Net Position and the Statements of Revenues, Expenses, and Changes in Net Position to illustrate the effect of various actions of HCC on the availability and ultimate change in the amount of cash from one year to the next. The cash provided or used by operations, capital and non-capital financing, and investing activities combine to show the net change in cash and cash equivalents. The final portion of the Statements of Cash Flows reconciles the operating income or loss from operations to the cash provided or used by operations.

HOUSTON CITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

Capital Assets and Debt Administration

Changes in net capital assets are the result of acquisitions, improvements, disposals, and changes in accumulated depreciation. In accordance with GASB Statements No. 34 and 35, HCC does not record the cost of capital assets as an expense at the time of acquisition or completion of the asset, but rather shows the expense systematically over the expected life of the asset as depreciation expense. The amount shown in the accounting records for the value of the asset will decrease each year until the asset is fully depreciated or removed from service. As a result, the amount of capital assets shown in the Statements of Net Position may decrease from one year to another, even though new assets have been acquired during the year. Capital assets subject to depreciation include improvements to land (such as parking lots and signage), buildings and other real estate improvements, library books and furniture and equipment. Land is not depreciated.

Capital Improvement Program

Resiliency Operations Center (ROC) – The 86th, 87th and 88th Legislatures identified the Flood Water Rescue Training Facility at Houston City College and The Resiliency Operations Center project as one serving the best interest of the state. Accordingly, it appropriated \$2.5 million, \$2.375 million, and \$2.375 million, respectively to assist with the advancement of the project. HCC researched recent advances in flood water and swift water facility design and equipment and identified changes to the original design that will reduce the overall footprint of the facility, move the water-based training elements into an indoor facility, and reduce the cost of the facility while still meeting the compelling training needs of first responders. HCC obtained a Department of Education grant to support resiliency related curriculum development and community education and outreach. Through this grant HCC created curriculum for five new cross disciplinary courses for core disaster and crises planning, response and recovery skills addressing Project Management, Information Technology Project Management, Business Continuity Planning, Safety & Compliance in Disaster Recovery, and Team Building & Communication. Additionally, HCC utilizes the grant funding to provide free Disaster Literacy courses to community members and non-profit organizations to increase individual, family and community capacity to minimize the impact of natural disasters. To continue completion of this extraordinary resource for Texas, HCC requested additional funding support of \$2.375 million in the next biennium. The ROC project is in the architectural design phase.

2013 CIP 2.0 Program - In August 2019, the Board approved a list of projects, collectively called the 2013 CIP 2.0 Program, funded from residual savings from the 2013 CIP Program. Included below is a summary of the remaining 2013 CIP 2.0 projects approved by the Board. The remaining projects in progress are in design or construction phase.

2013 CIP 2.0 Program

Description	Capital Budget
Central Culinary	\$3,100,000
Signage - System wide	6,329,665
Eastside View Corridor	1,900,000
Collaboratoriums	350,000
	<u>\$ 11,679,665</u>

HOUSTON CITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

Additional CIP Projects - The following projects were funded using the operating budget and state appropriations for the Resiliency Operations Center (ROC) project. Projects in progress are currently in procurement, design, or construction phases.

Description	Capital Budget
Demolition of Woodridge Retail Center	\$3,500,000
Resiliency Operations Center Design (ROC)	7,250,000
System Wide Safety & Security	8,848,018
HCC Website Redesign	1,227,989
Anatomy & Physiology Lab Buildout	2,230,000
3100 Main Department Moves	3,713,734
AI & Biotechnology Labs	100,950
Aviation Program	500,000
Facilities Stormwater Project	100,000
Southwest DIT Office Renovation	65,000
Coleman College FFE	164,781
HCCTV	90,000
Police Vehicles	124,000
Central HVAC Expansion	204,000
	<u>\$ 28,118,472</u>

Capital Assets, Net

	2025	2024	2023	Change	
				2024 to 2025	2023 to 2024
Capital Assets:					
Land	\$ 142,268,807	\$ 142,268,807	\$ 142,268,807	\$ -	\$ -
Construction in Progress	14,201,027	13,156,486	9,847,477	1,044,541	3,309,009
Buildings	889,867,681	894,991,812	905,874,688	(5,124,131)	(10,882,876)
Other Real Estate Improvements	57,090,105	62,142,945	66,177,476	(5,052,840)	(4,034,531)
Library Books	2,738,970	2,889,600	3,022,438	(150,630)	(132,838)
Furniture, Machinery, Vehicles and Other Equipment	14,320,169	15,317,150	21,721,696	(996,981)	(6,404,546)
Subscriptions	9,020,405	7,752,155	7,226,173	1,268,250	525,982
Telecommunications and Peripheral Equipment	4,793,187	5,746,385	-	(953,198)	5,746,385
Total Capital Assets, Net	<u>\$ 1,134,300,351</u>	<u>\$ 1,144,265,340</u>	<u>\$ 1,156,138,755</u>	<u>\$ (9,964,989)</u>	<u>\$ (11,873,415)</u>

Fiscal Year 2025:

Net capital assets decreased \$10 million from fiscal year 2024 to fiscal year 2025. The decrease is primarily attributed to the depreciation of buildings and equipment being more than the current year's asset and CIP additions.

Fiscal Year 2024:

Net capital assets decreased \$11.9 million from fiscal year 2023 to fiscal year 2024. The decrease is primarily attributable to depreciation/amortization being more than the current year's asset and CIP additions.

See Footnote 6 of the financial statements for additional information regarding capital asset activity.

HOUSTON CITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

Outstanding Debt

	2025	2024	2023	Change	
				2024 to 2025	2023 to 2024
Outstanding debt:					
Notes Payable	\$ 1,770,569	\$ 2,491,367	\$ 3,205,001	\$ (720,798)	\$ (713,633)
Revenue Bonds	76,586,940	93,869,193	110,441,448	(17,282,253)	(16,572,255)
General Obligation Bonds	384,602,653	403,305,090	420,427,526	(18,702,437)	(17,122,436)
Maintenance Tax Bonds	50,226,493	61,679,850	73,458,207	(11,453,357)	(11,778,357)
Total Outstanding Debt	<u>\$ 513,186,655</u>	<u>\$ 561,345,500</u>	<u>\$ 607,532,182</u>	<u>\$ (48,158,845)</u>	<u>\$ (46,186,681)</u>

Fiscal Year 2025:

There was a \$48.2 million decrease in outstanding debt in fiscal year 2025 which was attributable to principal payments of \$41.9 million and premium amortization of \$6.3 million. HCC had no new loan in FY 2025. This is in alignment with the strategic vision of the BOT, implemented by management.

Fiscal Year 2024:

There was a \$46.2 million decrease in outstanding debt in fiscal year 2024 which was attributable to principal payments of \$40 million and premium amortization of \$6.2 million. HCC had no new borrowing in FY 2024. This is in alignment with the strategic vision of the BOT, implemented by management.

See footnotes 7 through 11 of the financial statements for additional information regarding outstanding debt activity.

FUTURE OUTLOOK

Houston's Economic Outlook

Houston is ranked as one of the fastest growing metro areas in America by the US census which supports the following facts:

Houston, with approximately 2.3 to 2.4 million residents, is the fourth largest city in America in terms of population, behind New York, Los Angeles, and Chicago. It is the largest city in Texas and the Southern US. The community is approximately one hour from the Texas Gulf Coast. The area is very economically, educationally, and ethnically diverse. The median salary is \$57,420 with a median household income of \$62,894. The average household income is \$101,848 with a poverty rate of 19.7%. The population's ethnicity is 35.5% White, 22.9% African American, 48.4% Hispanic/Other, and 6.9% Asian. The median age in Houston, including males and females, is 33.9 years.

As diverse as the city, Houston City College is a diverse and complex multi-campus institution accredited by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) to award associate degrees and currently four-year degrees. Houston is currently growing at a rate of 2.5% annually and its population has increased by 43,217 since the most recent census, including The Houston Metro Area population, its population increase exhibits a growth rate of 1.29%. Consider Houston's economic outlook as follows:

- Houston's economy is projected to grow by 2.2% in 2025, exceeding the national forecast of 1.9% and ranking it among the top 50 large U.S. cities.
- Job growth was moderate in the first half of 2025, with significant growth in health care and hospitality, but a decline in professional and business services. Even though there was a decline in these sectors they also contributed to Houston's economic growth.

HOUSTON CITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

Other sectors driving the economic boost consisted of health care, construction, professional and technical services, government, and the restaurants and hospitality sector. These sectors are projected to add a significant number of jobs, contributing to an overall growth forecast from the Greater Houston Partnership, which anticipates around 71,200 new jobs for the year.

- Consumer price index (CPI) inflation increased in Houston over the first four months of 2025, indicating a rise in prices.
- The unemployment rate remained stable and low through June 2025. Unemployment rate fell from 4.4 percent to 4.1 percent.
- Health care, oil and gas, restaurants and bars, and hospitality are leading job growth in Houston.
- Construction and professional services have shown weakness and job contraction in 2025.
- Port trade activity declined in the first half of the year, though oil and gas exports provided some strength.

Houston benefits from a young population and strong city population growth. The city's pro-business environment, combined with factors like affordability and a warm climate, supports its economic resilience. Houston's role as a major hub for global trade and its diverse, international population contributes to its economic strength. Developments like the Texas Medical Center's TMC3 campus are poised to create substantial jobs and economic benefits.

Even though Houston has many positive attributes, there are challenges consisting of the following:

- Housing costs and insurance have risen, making home ownership and renting difficult for many residents.
- The impacts of extreme weather and climate change present intersecting challenges for housing and livability.
- Global economic slowdowns and trade tensions are potential vulnerabilities, though Houston's deep international relationships may buffer these impacts.

Houston City College Commits to the Economic Future of Houston:

It is HCC's objective to serve as an economic engine for the Greater Houston Region by creating equitable access and opportunity that leverages the collective resources of the College to support student success and the Houston community by partnering with key organizations to ensure the creation of economic development opportunities in all our local communities.

As a source of exceptional higher education, HCC is committed to serving Houston by offering affordable, open-access education to diverse populations, including first-generation students, adult learners, and underserved communities. We offer flexible learning options (e.g., online, evening, weekend classes) to accommodate the needs of the community.

Ad Valorem Taxes

The total ad valorem tax rate for calendar year 2025 (fiscal year 2026) is increased by 2.7% compared to calendar year 2024 (fiscal year 2025) at \$ 0.098802. The total tax rate is a combination of the debt service tax rate (\$0.013217 per \$100 of assessed valuation) and the maintenance and operations (M & O) tax rate (\$0.085585 per \$100 of assessed valuation). The debt service tax rate is lower than last year's rate as the principal and interest payments for fiscal year 2026 are lower than the amounts due in fiscal year 2025. The M & O tax rate is 4.8% higher than last year's M & O rate. The certified taxable values for calendar 2025 (fiscal year 2026) are 2.7% higher than the prior year contributing to an increase in estimated total tax revenues of \$18 million.

Tuition and Fees

In February 2025, the Board of Trustees approved tuition and fees effective Fall 2025 which proposed no changes from the prior year. HCC's in-district rates remain the lowest among our local peers, and our out-of-district/state rates are very competitive. One of the Board of Trustees' priorities is to keep education affordable for HCC's students.

HOUSTON CITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

Financial Reserves

In June 2018, the Board of Trustees revised the financial reserves policy to establish 180 days (+/-5%) of operating expenditures as the minimum level for HCC's Annual Days Cash on Hand. The revised policy provides for six months of reserves for unforeseen circumstances. HCC's Days Cash on Hand was \$222 million and \$283 million at August 31, 2025 and 2024 with 217 and 311 days, respectively.

Opportunities

HCC's strong financial position, prudent debt reduction strategies and excess Days Cash on Hand financial reserves policy will allow the Board of Trustees and the administration to continue to address funding of its deferred maintenance and GASB liabilities in the fiscal year 2025–2026 integrated budget planning and development process.

Houston City College's fiscal practices support our commitment to provide high-quality, accessible and affordable education to all of our students. The conservative organizational stewardship exhibited by our Board of Trustees and administrative leaders has allowed HCC to maintain a very strong financial position while expanding necessary services and programs that contribute to the growth of our regional economy.

HCC's outlook for the foreseeable future continues to be positive as a result of its strategic leadership, fiscal management and stable local economy.

CONTACTING HCC'S FINANCIAL MANAGEMENT

This financial report is designed to provide the citizens, taxpayers, students, investors, and creditors with a general overview of HCC's finances and to demonstrate HCC's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Senior Vice Chancellor of Finance and Administration's office at 3100 Main, Houston, Texas 77002. Additional information can also be found on HCC's Financial Transparency page at the following link: <http://www.hccs.edu/about-hcc/transparency/>.

HOUSTON CITY COLLEGE
STATEMENTS OF NET POSITION
AUGUST 31, 2025 AND 2024

Exhibit 1

ASSETS		2025	2024
CURRENT ASSETS:			
Cash and Cash Equivalents (Note 4)	\$	222,525,282	\$ 258,745,698
Accounts Receivable and Other Receivable, Net (Note 5)		29,886,046	29,736,315
Lease Receivable - Current Portion (Note 12)		3,475,205	3,820,287
Prepaid Charges		21,472,694	19,092,614
Other Short - Term Investments (Note 4)		-	24,276,204
Total Current Assets		277,359,227	335,671,118
NON-CURRENT ASSETS:			
Restricted Cash and Cash Equivalents (Note 4)		34,810,115	29,056,899
Other Long - Term Investments (Note 4)		219,554,291	143,424,474
Lease Receivable (Note 12)		18,241,761	20,465,825
Capital Assets Net, (Note 6)		1,134,300,351	1,144,265,340
Total Noncurrent Assets		1,406,906,518	1,337,212,538
TOTAL ASSETS		1,684,265,745	1,672,883,656
DEFERRED OUTFLOWS OF RESOURCES			
Advance Funding Valuation		1,300,727	1,563,806
OPEB (Note 21)		12,647,768	9,794,624
Pension (Note 14)		19,860,348	37,434,988
Total Deferred Outflows of Resources		33,808,843	48,793,418
LIABILITIES			
CURRENT LIABILITIES:			
Accounts Payable (Note 5)		17,734,123	13,700,554
Accrued Interest- SBITA (Note 13)		466,208	276,218
Accrued Liabilities		8,552,333	18,074,314
Compensated Absences (Note 16)		15,972,276	4,955,308
Funds Held for Others		841,776	908,680
Unearned Revenues		33,120,650	40,229,119
SBITA- Current Portion - (Note 7 and 13)		5,435,692	3,399,100
Net OPEB Liability - Current Portion (Note 7 and 21)		4,009,122	3,565,628
Notes Payable - Current Portion (Note 7 and 11)		728,033	720,798
Bonds Payable - Current Portion (Note 7 and 8)		37,570,000	41,215,000
Total Current Liabilities		124,430,213	127,044,719
NON-CURRENT LIABILITIES:			
SBITA Liability (Note 7 and 13)		3,120,956	3,984,779
Net OPEB Liability (Note 7 and 21)		137,226,159	123,908,453
Net Pension Liability (Note 7 and 14)		91,994,941	105,104,799
Notes Payable (Note 7 and 11)		1,042,536	1,770,569
Bonds Payable (Note 7 and 8)		473,846,086	517,639,133
Total Non-current Liabilities		707,230,678	752,407,733
TOTAL LIABILITIES		831,660,891	879,452,452
DEFERRED INFLOWS OF RESOURCES			
Advance Funding Valuation		8,356,137	9,840,817
Leases (Note 12)		21,228,275	24,622,076
OPEB (Note 21)		41,352,953	60,962,942
Pension (Note 14)		7,020,792	12,477,761
Total Deferred Inflows of Resources		77,958,157	107,903,596
NET POSITION			
Net Investment in Capital Assets		603,644,034	559,118,070
Restricted for			
Expendable			
Loans		4,256,383	3,420,643
Debt Service		20,049,078	18,825,701
Unrestricted		180,506,045	152,956,611
TOTAL NET POSITION	\$	808,455,539	\$ 734,321,025

The accompanying notes are an integral part of the financial statements.

Houston Community College Foundation
Statements of Financial Position

<i>August 31,</i>	2025	2024
Assets		
Current assets		
Cash and cash equivalents	\$ 4,563,395	\$ 2,315,320
Cash and cash equivalents - held on behalf of donors for private scholarships	679,633	514,131
Promises to give, current	935,195	949,534
Prepays and other current assets	108,561	70,597
Total current assets	6,286,784	3,849,582
Noncurrent assets		
Promises to give, net of current	243,141	477,134
Investments	10,205,666	8,487,518
Cash equivalents, restricted for endowments	654,747	166,357
Investments, restricted for endowments	11,250,853	11,281,380
Total noncurrent assets	22,354,407	20,412,389
Total assets	\$ 28,641,191	\$ 24,261,971
Liabilities and Net Assets		
Current liabilities		
Held on behalf of donors for private scholarships	\$ 679,633	\$ 514,131
Due to related party	2,903,011	1,216,217
Total current liabilities	3,582,644	1,730,348
Net assets		
Without donor restrictions	1,158,359	612,246
With donor restrictions	23,900,188	21,919,377
Total net assets	25,058,547	22,531,623
Total liabilities and net assets	\$ 28,641,191	\$ 24,261,971

The accompanying notes are an integral part of these financial statements.

HOUSTON CITY COLLEGE
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024

Exhibit 2

	2025	2024
OPERATING REVENUES:		
Tuition and Fees, Net of Discounts	\$ 83,740,075	\$ 79,288,412
Federal Grants and Contracts	13,991,463	16,091,048
State Grants and Contracts	12,619,064	10,346,196
Local Grants and Contracts	162,899	164,091
Non-Governmental Grants and Contracts	3,260,454	2,554,496
Sales and Services of Educational Activities	411,111	490,507
Auxiliary Enterprises	6,141,881	5,427,869
Total Operating Revenues (Schedule A)	<u>120,326,947</u>	<u>114,362,619</u>
OPERATING EXPENSES:		
Instruction	168,581,470	146,686,884
Public Service	9,900,913	10,979,789
Academic Support	50,415,271	36,853,242
Student Services	47,251,765	42,522,122
Institutional Support	94,002,645	91,719,732
Operations and Maintenance	40,427,432	38,297,627
Scholarships and Fellowships	83,709,021	65,287,587
Auxiliary Enterprises	7,058,238	6,051,022
Depreciation and Amortization	41,558,547	40,760,050
Total Operating Expenses (Schedule B)	<u>542,905,301</u>	<u>479,158,055</u>
OPERATING LOSS	<u>(422,578,354)</u>	<u>(364,795,436)</u>
NON-OPERATING REVENUES (EXPENSES):		
State Appropriations	95,433,883	89,909,976
Maintenance Ad Valorem Taxes	223,625,501	207,936,451
Debt Service Ad Valorem Taxes	41,353,524	38,465,794
Gifts	2,849,086	2,354,110
Interest Income, Leasing	609,165	647,724
Investment Income, Net	21,775,539	23,833,684
Interest on Capital Related Debt	(11,695,258)	(13,670,823)
Interest Expense -SBITA	(338,375)	(176,298)
Federal revenue, non-operating	126,296,494	99,352,962
FAST State Reimbursement	5,755,570	4,448,124
Other Non-operating Revenues	3,974,584	3,439,396
Other Non-operating Expenses	(12,926,845)	(13,305,801)
Net Non-operating Revenues (Schedule C)	<u>496,712,868</u>	<u>443,235,299</u>
Increase In Net Position	74,134,514	78,439,863
Net Position, Beginning of Year	<u>734,321,025</u>	<u>655,881,162</u>
Net Position, End of Year	<u><u>\$ 808,455,539</u></u>	<u><u>\$ 734,321,025</u></u>

The accompanying notes are an integral part of the financial statements.

Houston Community College Foundation Statement of Activities

<i>For the year ended August 31,</i>		2025	
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Contributions:			
Cash and other financial assets	\$ 252,328	\$ 8,609,700	\$ 8,862,028
Less: amounts raised for private scholarships	-	(1,849,299)	(1,849,299)
Net cash and other financial assets	252,328	6,760,401	7,012,729
Non-financial assets	120,680	1,258,053	1,378,733
Non-financial assets from the System	1,857,451	-	1,857,451
Special event revenue:			
Cash and other financial assets	662,180	-	662,180
Non-financial assets	53,187	-	53,187
Less: Direct donor benefit	(275,146)	-	(275,146)
Investment return, net	248,428	1,977,730	2,226,158
Vending and other income	236,019	-	236,019
Net assets released from restrictions	8,015,373	(8,015,373)	-
Total revenue and other support	11,170,500	1,980,811	13,151,311
Expenses			
<i>Program services</i>			
Scholarships	1,769,446	-	1,769,446
Grant distributions	5,505,916	-	5,505,916
Donated items	1,642,238	-	1,642,238
Total program services	8,917,600	-	8,917,600
<i>Supporting services</i>			
Administration	717,011	-	717,011
Fundraising	989,776	-	989,776
Total supporting services	1,706,787	-	1,706,787
Total expenses	10,624,387	-	10,624,387
Change in net assets	546,113	1,980,811	2,526,924
Net assets, beginning of year	612,246	21,919,377	22,531,623
Net assets, end of year	\$ 1,158,359	\$ 23,900,188	\$ 25,058,547

The accompanying notes are an integral part of these financial statements.

Houston Community College Foundation Statement of Activities

For the year ended August 31,

2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Contributions:			
Cash and other financial assets	\$ 98,829	\$ 7,117,978	\$ 7,216,807
Less: amounts raised for private scholarships	-	(1,784,527)	(1,784,527)
Net cash and other financial assets	98,829	5,333,451	5,432,280
Non-financial assets	75,474	636,623	712,097
Non-financial assets from the System	1,762,435	-	1,762,435
Special event revenue:			
Cash and other financial assets	611,318	-	611,318
Non-financial assets	42,265	-	42,265
Less: Direct donor benefit	(204,579)	-	(204,579)
Investment return, net	305,369	2,244,680	2,550,049
Vending income	207,762	-	207,762
Net assets released from restrictions	5,185,097	(5,185,097)	-
Total revenue and other support	8,083,970	3,029,657	11,113,627
Expenses			
<i>Program services</i>			
Scholarships	1,384,006	-	1,384,006
Grant distributions	3,676,293	-	3,676,293
Donated items	947,536	-	947,536
Total program services	6,007,835	-	6,007,835
<i>Supporting services</i>			
Administration	690,472	-	690,472
Fundraising	1,054,933	-	1,054,933
Total supporting services	1,745,405	-	1,745,405
Total expenses	7,753,240	-	7,753,240
Change in net assets	330,730	3,029,657	3,360,387
Net assets, beginning of year	281,516	18,889,720	19,171,236
Net assets, end of year	\$ 612,246	\$ 21,919,377	\$ 22,531,623

The accompanying notes are an integral part of these financial statements.

HOUSTON CITY COLLEGE
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024

Exhibit 3

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Students and Other Customers	\$ 81,736,139	\$ 84,695,285
Receipts from Grants and Contracts	33,978,613	29,078,466
Payments to Suppliers for Goods and Services	(106,334,485)	(88,640,124)
Payments to or On Behalf of Employees	(313,051,587)	(278,184,943)
Payments for Scholarships and Fellowships	(84,088,416)	(66,847,917)
Receipts for Sales and Services	2,569,146	7,811,590
Other Operating Revenue	366,034	822,802
Net Cash Used in Operating Activities	<u>(384,824,557)</u>	<u>(311,264,841)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Receipts from Ad Valorem Taxes	262,379,270	245,599,957
Receipts from State Allocations	95,433,883	89,909,976
Receipts from Private Gifts	2,849,086	2,354,110
Received Federal Direct Student Loans (SA: Federal Note 4)	65,129,903	56,651,678
Disbursement of Federal Direct Student Loans (SA: Federal Note 4)	(65,129,903)	(56,651,678)
Receipts from Title IV	126,296,494	99,352,962
FAST State Reimbursement	5,755,570	4,448,124
Net Cash Provided by Non-capital Financing Activities	<u>492,714,303</u>	<u>441,665,129</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of Capital Asset	(28,643,631)	(13,512,678)
Payments of expenses relating to capital assets in Plant Funds	(13,377,889)	(13,070,769)
Payments on Capital Debt for SBITAs - Principal	(6,339,011)	(3,964,327)
Payments on Capital Debt for SBITAs - Interest	(338,375)	(176,298)
Payments on Capital Debt and Leases - Principal	(41,935,798)	(39,963,635)
Payments on Capital Debt and Leases - Interest and Fees	(18,258,324)	(20,742,155)
Receipts from Interest Income, Leasing	614,154	647,730
Net Cash Used in Financing Activities	<u>(108,278,874)</u>	<u>(90,782,132)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales and Maturities of Investments	93,599,192	165,007,380
Interest on Investments	21,775,539	23,833,684
Purchase of Investments	(145,452,803)	(191,842,892)
Net Cash Provided by Investing Activities	<u>(30,078,072)</u>	<u>(3,001,828)</u>
INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	(30,467,200)	36,616,328
CASH AND RESTRICTED CASH EQUIVALENTS - BEG OF YEAR (EXHIBIT 1)	<u>287,802,597</u>	<u>251,186,269</u>
CASH AND RESTRICTED CASH EQUIVALENTS - END OF YEAR (EXHIBIT 1)	<u>\$ 257,335,397</u>	<u>\$ 287,802,597</u>

The accompanying notes are an integral part of the financial statements.

HOUSTON CITY COLLEGE
STATEMENTS OF CASH FLOWS - CONTINUED
FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024

Exhibit 3

**RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED
IN OPERATING ACTIVITIES**

	2025	2024
Operating Loss	\$ (422,578,354)	\$ (364,795,436)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities:		
Depreciation/Amortization Expense	41,558,547	40,760,050
Bad Debt Expense	936,310	269,096
OPEB Expense	19,264,764	24,408,530
Pension Expense	23,741,794	31,000,881
Changes in Assets and Liabilities:		
Accounts and Other Receivables	5,790,919	5,224,563
Prepaid Charges	(2,380,080)	(597,451)
Accounts Payables and Accruals	1,374,931	5,840,202
Deferred Outflows	(28,285,062)	(37,555,574)
Deferred Inflows	(28,460,759)	(13,849,045)
Unearned Revenues	(7,388,974)	3,378,552
Compensated Absences	11,016,969	279,505
Net Pension Liability	(13,109,858)	10,427,585
Net OPEB Liability	13,761,200	(15,482,429)
Funds Held for Others	(66,904)	73,860
Total Adjustments	37,753,797	54,178,325
Net Cash Used in Operating Activities	<u>\$ (384,824,557)</u>	<u>\$ (310,617,111)</u>

SCHEDULE OF NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

Payments Made Directly by State for Benefits	\$ 26,574,125	\$ 25,759,500
Increase/Decrease in Fair Value of Investments	1,075,970	(430,068)
Amortization of Premium on Bonds	6,223,048	6,223,048
Amortization of Deferred Charges on Bonds Refunding	263,079	263,079
Retainage Payable	138,859	(44,319)
Net Non-cash Investing, Capital and Financing Activities	<u>\$ 34,275,081</u>	<u>\$ 31,771,240</u>

The accompanying notes are an integral part of the financial statements.

HOUSTON CITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – REPORTING ENTITY

Houston City College (HCC) was established on May 18, 1971, in accordance with the laws of the State of Texas and serves the educational needs of its service area as outlined in Chapter 130 of the Texas Education Code. The service area includes the Houston Independent School District, Alief Independent School District, Katy Independent School District, Spring Branch Independent School District, Stafford Municipal School District, and the portions of Fort Bend Independent School District located in the cities of Houston, Pearland and Missouri City. Those portions of the service area located in the Katy and Spring Branch Independent School Districts lie outside of the taxing authority of HCC. HCC is a comprehensive public two-year institution offering academic, general, occupational, development, and continuing adult education programs through a network of locations.

In June 2025, the Board of Trustees approved the college's name change to Houston City College (HCC). In the Fall of 2025, we launched our rebranding campaign to redefine and reshape HCC's identity, image, and messaging to better reflect our mission, values, and evolving goals. It will strengthen our reputation, increase enrollment, and deepen community engagement. This reimagining positions HCC as a forward-looking higher education leader with a strong presence in the Houston region and a growing global reach online

HCC is considered to be a special purpose, primary government involved in business-type activities as defined by the Governmental Accounting Standards Board. While HCC receives funding from local, state and federal sources, and must comply with the spending, reporting, and record keeping requirements of these entities, it is not a component unit of any other governmental entity.

The Governmental Accounting Standards Board (GASB) provides guidance in determining whether certain organizations related to HCC should be reported as component units based on the nature and significance of their relationship with the primary government. Using the criteria established by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus-An Amendment of GASB Statements No. 14 and No. 34*, and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units – An Amendment of GASB Statement No. 14*, HCC's management has determined that the Houston Community College Foundation (the Foundation) should be reported as a component unit of HCC using a discrete presentation. Note 23 to the financial statements describe the Foundation's financial statement presentation in more detail.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Guidelines

The significant accounting policies followed by HCC in preparing these financial statements are in accordance with accounting principles generally accepted in the United States of America as prescribed by GASB. The accompanying financial statements are also in accordance with the Texas Higher Education Coordinating Board's (THECB) *Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges*.

Basis of Accounting

HCC's financial statements have been prepared on the accrual basis of accounting whereby all revenues are recorded when earned and all expenses are recorded when they have been reduced to a legal or contractual obligation to pay.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditures of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration. Under Texas law, appropriations lapse at August 31 of each year and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget.

HOUSTON CITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Tuition Discounting

Texas Public Education Grants - Certain tuition amounts are required to be set aside for use as scholarships by qualifying students. This set-aside, called the Texas Public Education Grant (TPEG), is shown with tuition and fee revenue amounts as a separate set-aside amount (Texas Education Code §56.033). When the award is used by the student for tuition and fees, the amount is recorded as tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

Title IV, Higher Education Act (HEA) Program Funds - Certain Title IV Higher Education Act Program funds are received by HCC to pass-through to the student. These funds are initially received by HCC and recorded as grant revenue. When the award is used by the student for tuition and fees, the amount is recorded as tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

Other Tuition Discounts - Student tuition and fees revenue are reported net of scholarship discounts in the accompanying Statement of Revenues, Expenses, and Changes in Net Position. The scholarship discount is the difference between the actual amount for tuition and fees charged by HCC and the amount that is paid by students or by third parties on the student's behalf. Student financial assistance grants, such as Pell Grants, and other federal, state or non-governmental programs, are recorded as either operating or non-operating revenues in the accompanying Statement of Revenues, Expenses, and Changes in Net Position. To the extent that revenues from these programs are used to satisfy tuition, fees, and other charges, HCC has recorded a scholarship discount. Schedule A provides a detail of tuition discounts.

Budgetary Data

Each community college district in Texas is required by law to prepare an annual operating budget of anticipated revenues and expenditures for each fiscal year beginning September 1. HCC's Board of Trustees adopts the budget, which is prepared on the accrual basis of accounting. A copy of the approved budget must be filed with the Texas Higher Education Coordinating Board, Legislative Budget Board, Legislative Reference Library, and Governor's Office of Budget and Planning by December 1 of the respective year.

Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand and demand deposits with original maturities of three months or less from the date of acquisition. HCC has classified public funds investment pools comprised of Lone Star Investment Pool (Lone Star) and Texas Local Government Investment Pool (TexPool) as cash equivalents.

Deferred Outflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net asset that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. Governments are permitted only to report deferred outflows of resources in circumstances specifically authorized by the GASB. HCC has deferred outflows of resources for other post-employment benefits (OPEB), pension, and advanced funding valuation.

HOUSTON CITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

Investments

Investments are reported at fair value. Fair values are based on published market rates. Short-term investments have an original maturity greater than three months but less than one year at the time of purchase. Long-term investments have an original maturity of greater than one year at the time of purchase. Investment funds related to bond issues set aside for construction of capital assets are classified as restricted investments.

Prepaid Charges

Expenses and costs paid in advance which pertain to the subsequent fiscal year(s), such as scholarships disbursed to students before August 31 for fall semester classes are accounted for as prepaid charges

Capital Assets

Capital assets are stated at cost at the date of acquisition, or fair value at the date of donation. HCC reports depreciation under a single line-item, as would be done by an entity reporting as a business-type unit. Depreciation is computed using the straight-line method over the estimated useful lives of the assets and is not allocated to the functional expenditure categories. The threshold for capitalization of assets is \$5,000. Renovations of \$100,000 to buildings and infrastructure and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are charged to operating expense in the year in which the expense is incurred. The following estimated useful lives are used for depreciable assets:

Buildings	50 years
Facilities and Other Improvements	20 years
Furniture, Machinery, Vehicles and Other Equipment	5-10 years
Telecommunications and Peripheral Equipment	5 years
Library Books	15 years
Leasehold Improvements	Lease term

OPEB (Other Post - Employment Benefits)

HCC participates in the Employer Retirement System of Texas (ERS) OPEB plan, a multiple-employer cost-sharing-defined benefit OPEB plan with a special funding situation. The fiduciary net position of ERS has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes, for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, and information about assets, liabilities, and additions to/deductions from ERS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Pensions

HCC participates in the Teacher Retirement System of Texas (TRS) pension plan, a multiple-employer cost-sharing-defined benefit pension plan with a special funding situation. The fiduciary net position of TRS has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes, for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities, and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

HOUSTON CITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net asset that applies to a future period(s) and so is not recognized as an inflow of resources (revenue) until that time. Governments are permitted only to report deferred inflows of resources in circumstances specifically authorized by the GASB. HCC has deferred inflows of resources for other post-employment benefits (OPEB), pension, leases, and advanced funding valuation.

Leases

HCC is lessor for fifteen (15) noncancellable leases of buildings. HCC recognizes a lease receivable and a deferred inflow of resources in the Statement of Net Position.

At the commencement of a lease, HCC initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how HCC determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease terms, and (3) lease receipts.

- HCC uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

HCC monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Subscription-Based Information Technology Arrangements (SBITAs)

HCC has a total of twenty-two (22) SBITA contracts that qualify for GASB96. HCC recognizes a subscription liability and subscriptions asset for such contracts with a specified term exceeding 12 months.

At the commencement of the subscription, HCC initially measures the subscription asset and liability at the present value of the subscription payments expected to be made during the subscription term and discounted by a discount rate. The subscription liability is amortized over the subscription term, further reducing the subscription liability by payments made during the term.

Key estimates and judgments include how HCC determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) contract terms, and (3) subscription payments.

- HCC uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The contract term includes the noncancellable period of the contract.

HCC monitors changes in circumstances that would require a remeasurement of its SBITAs and will remeasure the subscription liability and subscription assets if certain changes occur that are expected to significantly affect the amount of the subscription liability.

HOUSTON CITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

Income Taxes

HCC is exempt from income taxes under Internal Revenue Code Section 115, *Income of States, Municipalities, Etc.*, although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511(a)(2)(B), *Imposition of Tax on Unrelated Business Income of Charitable Organizations, etc.* HCC has minimal unrelated business income tax liability for the years ended August 31, 2025, and 2024.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Estimates that have the most impact on financial position and results of operations primarily relate to the collectability of tuition and taxes receivable, the useful lives of property and equipment, certain accrued liabilities, and the allocation of expenses among functional areas. Management believes these estimates and assumptions provide a reasonable basis for the fair presentation of the financial statements.

Operating and Non-operating Revenues and Expenses

HCC presents its revenues and expenses as operating or non-operating based on recognition definitions promulgated by GASB. Operating revenues and expenses generally result from providing services in connection with HCC's principal ongoing operations. The principal operating revenues are tuition and related fees and contracts and grants. The major non-operating revenues are allocations from the State, ad valorem taxes and Title IV financial aid funds. Ad valorem taxes are recognized as revenues in the year for which they are levied. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. The bookstore and vending machine operations are owned and managed by third parties.

Pending Pronouncements

The GASB has issued the following statements:

GASB Statement No. 103, "*Financial Reporting Model Improvements.*" The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. Management is evaluating the impact of this statement on HC.

NOTE 3 - AUTHORIZED INVESTMENTS

HCC is authorized to invest in obligations and instruments as defined in the Public Funds Investment Act (PFIA) (Sec. 2256.001 Texas Government Code). Such investments include (1) obligations of the United States or its agencies, (2) direct obligations of the State of Texas or its agencies, (3) obligations of political subdivisions rated not less than "A" by a national investment rating firm, (4) certificates of deposit, and (5) other instruments and obligations authorized by statute.

NOTE 4 - DEPOSITS AND INVESTMENTS

The carrying amount (book balance) of HCC demand deposits with financial institutions as of August 31, 2025 and 2024 was \$2,079,608 and \$7,597,031 and bank balances (physical assets) equaled \$3,778,074 and \$5,735,534, respectively. Of the bank balance for fiscal year 2025, \$500,000 is covered by FDIC and \$3,278,074 was covered by collateral pledged in HCC's name. For fiscal year 2024, \$500,000 was covered by FDIC and \$5,235,534 was covered by collateral pledged in HCC's name. For both fiscal years, the collateral was held in an account of an independent third-party agent.

HOUSTON CITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 - DEPOSITS AND INVESTMENTS-CONTINUED

Cash and Deposits included on Exhibit1, Statement of Net Position, consists of the items reported below:

	2025	2024
Demand Deposits	\$ 2,079,608	\$ 7,597,031
Cash and Cash Equivalents:		
Petty Cash on Hand	55,381	55,405
Cash at Bank	181,145	210,857
Money Market Funds	56,123,374	31,351,715
TexPool	80,686,394	141,460,231
Lone Star	68,209,495	107,127,357
Chase Certificate of Deposit	50,000,000	-
Total Cash and Cash Equivalents	255,255,789	280,205,565
Total Cash and Deposits	257,335,397	287,802,597
Restricted Cash and Cash Equivalents	(34,810,115)	(29,056,899)
Cash and Cash Equivalents (Exhibit 1)	\$ 222,525,282	\$ 258,745,698

Items consisting of cash and investments included on Exhibit 1, Statements of Net Position, consists of the items reported below:

	Fair Value at August 31	
Type of Investments	2025	2024
Fannie Mae ARM pool	\$ 25,138,530	\$ 17,407
U.S. Government Securities - Treasuries	174,285,431	148,064,577
U.S. Government Securities - Agency	20,130,330	19,618,695
Total Investments	219,554,291	167,700,679
Total Cash and Deposits	257,335,397	287,802,597
Total Deposits and Investments	\$ 476,889,688	\$ 455,503,275
Cash and Cash Equivalents (Exhibit 1)	\$ 222,525,282	\$ 258,745,698
Restricted Cash and Cash Equivalents (Exhibit 1)	34,810,115	29,056,899
Other Short - Term Investments (Exhibit 1)	-	24,276,204
Other Long - Term Investments (Exhibit 1)	219,554,291	143,424,474.00
Total Deposits and Investments	\$ 476,889,688	\$ 455,503,275

HOUSTON CITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 - DEPOSITS AND INVESTMENTS-CONTINUED

As of August 31, 2025, Houston City College had the following investments and maturities:

Investment Type	Amount	Weighted Average Maturity (Years)
Fannie Mae ARM pool	\$ 25,138,530	8.51
U.S. Government Securities - Treasuries	174,285,431	1.45
U.S. Government Securities - Agencies	20,130,330	1.75
Investment Pools	148,895,889	0.00
Cash and Money Market Funds	58,439,507	0.00
Chase Certificate of Deposit	50,000,000	2.05
Total Fair Value	<u>\$ 476,889,688</u>	
Portfolio weighted average maturity		0.95

As of August 31, 2024, Houston City College had the following investments and maturities:

Investment Type	Amount	Weighted Average Maturity (Years)
Fannie Mae ARM pool	\$ 17,407	9.51
U.S. Government Securities - Treasuries	148,064,577	0.60
U.S. Government Securities - Agencies	19,618,695	0.52
Investment Pools	248,587,588	0.00
Cash and Money Market Funds	39,215,008	0.00
Total Fair Value	<u>\$ 455,503,275</u>	
Portfolio weighted average maturity		0.21

Interest Rate Risk - In accordance with state law and HCC's investment policy, HCC does not purchase any investments with maturities greater than ten years. HCC manages its exposure to decline in fair value by limiting the weighted average maturity of its investment portfolio to two years or less. HCC's intention is to hold all investments to their maturity.

Credit Risk and Concentration of Credit Risk - In accordance with state law and HCC's investment policy, investments in mutual funds and investment pools must be rated at least "AAA", commercial paper must be rated at least "A-1" or "P-1", and investments in obligations from other states, municipalities, counties, etc. must be rated at least "A". HCC limits the amount it may invest in any one issuer to no more than 50 % of its total investment portfolio.

US Agency, Treasury Notes and bonds classified as Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices.

The Texas State Comptroller of Public Accounts (the Comptroller) exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, and designate management and accountability for fiscal matters. Additionally, the Comptroller has established an advisory board (the Advisory Board) composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure.

HOUSTON CITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 - DEPOSITS AND INVESTMENTS – CONTINUED

TexPool is rated AAAM by Standard & Poor's. As a requirement to maintain the rating, weekly portfolio information is submitted to both Standard & Poor's and the Comptroller for review. TexPool uses amortized cost rather than fair value to report net assets to compute share prices. Accordingly, the fair value of the position in TexPool is the same value as the value in TexPool shares.

Lone Star is a public funds investment pool established in accordance with the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 225, Texas Government Code. Lone Star is governed by trustees comprised of active participants in Lone Star.

The board of trustees for Lone Star has the responsibility for adopting and monitoring compliance with the investment policy, of appointing investment officers, of overseeing the selection of an investment advisor, custodian, investment consultant, administrator and other service providers. Lone Star uses amortized cost rather than fair value to report net assets to compute share prices. Accordingly, the fair value of the position in Lone Star is the same as the value in Lone Star shares.

Fair Value Investments

HCC categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles (GAAP). The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

Bank of America, as custodian of HCC's securities, obtains market quotes on a daily basis from Interactive Data Corporation, and reports them to HCC via Bank of America's web site. Interactive Data Corporation evaluates U.S. Treasury securities by obtaining feeds from a number of live data sources including active market makers and inter-dealer brokers. Sources are reviewed on the basis of their historical accuracy for individual issues and maturity ranges. Evaluations are marked at 15:00 and 16:00 (ET).

As required by GASB Statement No. 72, *Fair Value Measurement and Application*, the following table presents the financial instruments carried on the statements of financial position by caption and by level of input within the valuation hierarchy as of August 31, 2025 and August 31, 2024:

<u>Description</u>	Assets at fair value as of August 31, 2025			
	Level 1	Level 2	Level 3	Total
Fannie Mae ARM Pool	\$ 25,138,530	\$ -	\$ -	\$ 25,138,530
U.S. Government Securities - Treasuries	174,285,431	-	-	174,285,431
U.S. Government Securities - Agency	20,130,330	-	-	20,130,330
Total *	<u>\$ 219,554,291</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 219,554,291</u>

<u>Description</u>	Assets at fair value as of August 31, 2024			
	Level 1	Level 2	Level 3	Total
Fannie Mae ARM Pool	\$ 17,407	\$ -	\$ -	\$ 17,407
U.S. Government Securities - Treasuries	\$ 148,064,577	-	-	148,064,577
U.S. Government Securities - Agency	\$ 19,618,695	-	-	19,618,695
Total *	<u>\$ 167,700,679</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 167,700,679</u>

*This amount excludes investments in local government pools which are recorded at amortized cost. These excluded investments total \$148,895,889 and \$248,587,588 as of August 31, 2025 and August 31, 2024, respectively.

HOUSTON CITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 – DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES

	<u>2025</u>	<u>2024</u>
Accounts Receivables	\$ 6,697,202	\$ 4,493,989
Grants Receivables		
Federal Grants	2,825,293	3,508,042
State Grants	117,353	708,411
Local Grants	72,322	2,272,900
Private Grants	61,644	70,963
Other Receivables	3,369,159	1,869,869
Student Receivables	28,577,316	31,150,988
Taxes Receivable	15,263,268	13,801,127
Total Receivables	<u>56,983,556</u>	<u>57,876,289</u>
Less Allowance for Doubtful Accounts		
Account Receivables	(154,866)	(154,866)
Student Receivables	(21,989,565)	(20,215,250)
Taxes Receivables	(4,953,079)	(7,769,858)
Total Allowances	<u>\$ (27,097,510)</u>	<u>\$ (28,139,974)</u>
Total Receivables, Net of Allowances	<u>\$ 29,886,046</u>	<u>\$ 29,736,315</u>

Payables

Payables at August 31, 2025 and 2024, were as follows:

	<u>2025</u>	<u>2024</u>
Vendor Payable	\$ 950,222	\$ 935,433
Salaries & Benefits Payable	9,262,194	6,558,992
Student Payables	5,340,007	4,188,267
Retainage Payables	138,859	44,319
Other Payables	<u>2,042,841</u>	<u>1,973,543</u>
Total Accounts Payable	<u>\$ 17,734,123</u>	<u>\$ 13,700,554</u>

HOUSTON CITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended August 31, 2025, was as follows:

	Balance August 31, 2024	Increases	Decreases/ Transfers	Balance August 31, 2025
Not depreciated:				
Land	\$ 142,268,807	\$ -	\$ -	\$ 142,268,807
Construction in Progress	13,156,486	11,396,934	10,352,393	14,201,027
Subtotal	155,425,293	11,396,934	10,352,393	156,469,834
Other capital assets:				
Buildings	1,137,660,818	15,420,236	33,689	1,153,047,365
Other Real Estate Improvements	133,031,048	757,403	-	133,788,451
Library Books	20,031,154	142,391	325,362	19,848,183
Furniture, Machinery, Vehicles and Other Equipment	133,410,613	6,716,185	166,360	139,960,438
Subscriptions	13,810,791	7,705,939	2,791,782	18,724,948
Telecommunications and Peripheral Equipment	41,542,342	-	-	41,542,342
Subtotal	1,479,486,766	30,742,154	3,317,193	1,506,911,727
Total Capital Assets	1,634,912,059	42,139,088	13,669,586	1,663,381,561
Accumulated depreciation / amortization:				
Buildings	242,669,006	20,510,943	264	263,179,685
Other Real Estate Improvements	70,888,103	5,810,241	-	76,698,344
Library Books	17,141,554	293,020	325,363	17,109,211
Furniture, Machinery, Vehicles and Other Equipment	118,093,463	7,555,977	9,167	125,640,273
Subscriptions	6,058,636	6,435,169	2,789,262	9,704,543
Telecommunications and Peripheral Equipment	35,795,957	953,197	-	36,749,154
Total Accumulated Depreciation / Amortization	490,646,719	41,558,547	3,124,056	529,081,210
Net Depreciable / Amortizable Capital Assets	988,840,047	(10,816,393)	193,137	977,830,517
Net Capital Assets	\$ 1,144,265,340	\$ 580,541	\$ 10,545,530	\$ 1,134,300,351

HOUSTON CITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS

NOTE 6 - CAPITAL ASSETS-CONTINUED

Capital asset activity for the year ended August 31, 2024 was as follows:

	Balance August 31, 2023	Increases	Decreases/ Transfers	Balance August 31, 2024
Not depreciated:				
Land	\$ 142,268,807	\$ -	\$ -	\$ 142,268,807
Construction in Progress	9,847,477	10,468,415	7,159,406	13,156,486
Subtotal	152,116,284	10,468,415	7,159,406	155,425,293
Other capital assets:				
Buildings	1,128,225,778	10,226,619	791,579	1,137,660,818
Other Real Estate Improvements	131,287,506	1,743,542	-	133,031,048
Library Books	20,065,158	172,380	206,384	20,031,154
Furniture, Machinery, Vehicles and Other Equipment	129,119,128	5,652,472	1,360,987	133,410,613
Subscriptions	11,220,333	10,192,530	7,602,072	13,810,791
Telecommunications and Peripheral Equipment	41,542,342	710,993	710,993	41,542,342
Subtotal	1,461,460,245	28,698,537	10,672,016	1,479,486,766
Total Capital Assets	1,613,576,529	39,166,953	17,831,422	1,634,912,059
Accumulated depreciation / amortization:				
Buildings	222,351,090	20,317,980	64	242,669,006
Other Real Estate Improvements	65,110,030	5,778,073	-	70,888,103
Library Books	17,042,720	305,218	206,384	17,141,554
Furniture, Machinery, Vehicles and Other Equipment	104,381,589	7,340,218	(6,371,656)	118,093,463
Subscriptions	7,010,003	6,380,801	7,332,168	6,058,636
Telecommunications and Peripheral Equipment	41,542,342	637,761	6,384,146	35,795,957
Total Accumulated Depreciation / Amorti	457,437,774	40,760,050	7,551,106	490,646,719
Net Depreciable / Amortizable Capital Asset	1,004,022,471	(12,061,513)	3,120,910	988,840,047
Net Capital Assets	\$ 1,156,138,755	\$ (1,593,098)	\$ 10,280,316	\$ 1,144,265,340

HOUSTON CITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS

NOTE 7 - NON-CURRENT LIABILITIES

Non-current liability activity for the years ended August 31, 2025, and 2024 was as follows:

	Balance as of September 1, 2024	Additions	Reductions	Balance as of August 31, 2025	Current Portion	Noncurrent Portion
Long-Term Notes Payable	\$ 2,491,367	\$ -	\$ (720,798)	\$ 1,770,569	\$ 728,033	\$ 1,042,536
Bonds:						
Revenue Bonds	93,869,193	-	(17,282,254)	76,586,940	12,600,000	63,986,940
General Obligation Bonds	403,305,090	-	(18,702,437)	384,602,653	15,995,000	368,607,653
Maintenance Tax Bonds	61,679,850	-	(11,453,357)	50,226,493	8,975,000	41,251,493
Total Bonds	558,854,133	-	(47,438,048)	511,416,086	37,570,000	473,846,086
SBITA	7,383,879	1,172,769	-	8,556,648	5,435,692	3,120,956
Net Pension Liability	105,104,799	-	(13,109,858)	91,994,941	-	91,994,941
Net OPEB Liability	127,474,081	13,761,200	-	141,235,281	4,009,122	137,226,159
Total Non-current Liabilities	\$ 801,308,258	\$ 14,933,969	\$ (61,268,703)	\$ 754,973,525	\$ 47,742,847	\$ 707,230,678

	Balance as of September 1, 2023	Additions	Reductions	Balance as of August 31, 2024	Current Portion	Noncurrent Portion
Long-Term Notes Payable	\$ 3,205,002	\$ -	\$ (713,635)	\$ 2,491,367	\$ 720,798	1,770,569
Bonds:						
Revenue Bonds	110,441,448	-	(16,572,254)	93,869,193	15,510,000	78,359,193
General Obligation Bonds	420,427,526	-	(17,122,436)	403,305,090	15,955,000	387,350,090
Maintenance Tax Bonds	73,458,207	-	(11,778,356)	61,679,850	9,750,000	51,929,851
Total Bonds	604,327,181	-	(45,473,046)	558,854,133	41,215,000	517,639,134
SBITA	4,016,038	3,367,841	-	7,383,879	3,399,100	3,984,779
Net Pension Liability	94,677,214	10,427,585	-	105,104,799	-	105,104,799
Net OPEB Liability	142,956,510	-	(15,482,429.00)	127,474,081	3,565,628	123,908,453
Total Non-current Liabilities	\$ 849,181,945	\$ 13,795,426	\$ (61,669,109)	\$ 801,308,258	\$ 48,900,526	\$ 752,407,734

HOUSTON CITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 - BONDS PAYABLE

Student Fee Revenue Bonds:

HCC issued several Student Fee Revenue Bonds as Senior Lien Bonds or Junior Lien Bonds during the fiscal years 2011 through 2021 with interest rates ranging from .31% to 5.125% and maturities ranging from 2012 through 2031. Debt service requirements are payable solely from and secured by a first lien on certain pledged revenues which include general fees, out-of-district fees and any other revenues or receipts of HCC which may, in the future, be pledged to the payment of the bonds. Certain outstanding bonds may be redeemed at their par value prior to their normal maturity dates in accordance with the terms of the related bond indenture. All authorized bonds have been issued. HCC has never defaulted on any bond or interest payment.

The Bond Resolutions, which authorize the issuance of Revenue Bonds, do not establish specific events of default. Under Texas law, there is no right to the acceleration of the maturity of the Bonds upon the failure of HCC to observe any covenant under the Bond Resolutions. If a default were to occur, the only practical remedy of a registered bond holder is to file a mandatory injunction to compel System officials to carry out their legally imposed duties with respect to the Bonds.

Limited Tax Bonds:

HCC issued \$19,455,000 in Limited Tax Refunding Bonds, Series 2016 ("Series 2016 Bonds") on September 21, 2016 with interest rates ranging from 3.00% to 4.00%. The Bonds were issued at a premium of \$1,192,336 and mature on February 15, 2037. Bonds maturing on February 15, 2037 are subject to redemption prior to their scheduled maturities on February 15, 2026. The Series 2016 Bonds are direct obligations of HCC and are payable from ad valorem taxes levied against all taxable property located within HCC. The Series 2016 Bonds were used to partially refund \$20,000,000 of outstanding Limited Tax General Obligation Bonds, Series 2013 ("Series 2013 Bonds") with an interest rate of 5.00%. The optional redemption date of the Series 2013 Bonds was February 14, 2017.

HCC issued \$33,290,000 in Limited Tax Refunding Bonds, Series 2020 ("Series 2020 Bonds") on February 19, 2020, with interest rates ranging from 4.00% to 5.00%. The Bonds were issued at a premium of \$7,191,227 and mature on February 15, 2036. Bonds maturing on February 15, 2035 and February 15, 2036 are subject to redemption prior to their scheduled maturities on February 15, 2029. The Series 2020 Bonds are direct obligations of HCC and are payable from ad valorem taxes levied against all taxable property located within HCC. The Series 2020 Bonds were used to partially refund \$40,000,000 of outstanding Limited Tax General Obligation Bonds, Series 2013 ("Series 2013 Bonds") with an interest rate of 5.00%.

HCC issued \$49,615,000 in Limited Tax Refunding Bonds, Series 2021A ("Series 2021A Bonds") on February 11, 2021 with interest rates ranging from 3.00% to 5.00%. The Bonds were issued at a premium of \$8,277,152 and mature on February 15, 2028. The Bonds are not subject to optional redemption prior to maturity. The Series 2021A Bonds are direct obligations of HCC and are payable from ad valorem taxes levied against all taxable property located within HCC. The Series 2021A Bonds were used to refund \$57,235,000 of outstanding Limited Tax Refunding Bonds, Series 2011 ("Series 2011 Bonds") with an interest rates of 4.00% to 5.00%.

HCC issued \$298,290,000 in Limited Tax Refunding Bonds, Taxable Series 2021B ("Series 2021B Bonds") on February 11, 2021 with interest rates ranging from 1.659% to 5.00%. The Bonds were issued at a premium of \$28,187,357 and mature on February 15, 2043. The Bonds maturing on or after February 15, 2032 are subject to redemption prior to their scheduled maturities. The Series 2021B Bonds are direct obligations of HCC and are payable from ad valorem taxes levied against all taxable property located within HCC. The Series 2021B Bonds were used to refund \$7,500,000 of outstanding Limited Tax Refunding Bonds, Series 2011 ("Series 2011 Bonds") with an interest rate 5.00% and \$302,500,000 of outstanding Limited Tax General Obligation Bonds, Series 2013 with interest rates of 3.375% to 5.000%. The optional redemption date of the Series 2011 Bonds was February 15, 2021. The optional redemption date of the Series 2013 Bonds was February 15, 2023.

The Bond Resolutions do not specifically provide any remedies to a registered owner if HCC defaults on the payment of the principal of or interest on the Bonds, nor does it provide for the appointment of a trustee to protect and enforce the interests of the registered owners upon the occurrence of such a default.

HOUSTON CITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 - BONDS PAYABLE - CONTINUED

If a registered owner of a Bond does not receive payment of principal or interest when due, the registered owner may seek a writ of mandamus from a court of competent jurisdiction requiring HCC to levy and collect taxes. Such registered owner also may seek a judgment against HCC. The mandamus remedy, however, may be impractical and difficult to enforce. There is no provision for the acceleration of maturity of principal of a Bond in the event of a default. A registered owner of a Bond could file suit against HCC if a default occurred in the payment of principal of or interest on any such Bonds; however, a suit for monetary damages could be vulnerable to the defense of sovereign immunity and any judgment could not be satisfied by execution against any property of HCC. The enforcement of a claim for the payment of a Bond also would be subject to the applicable provisions of the Federal bankruptcy laws and to any other statutes affecting the rights of creditors of political subdivisions and may be limited by general principles of equity.

Maintenance Tax Bonds:

HCC issued \$28,870,000 in Maintenance Tax Refunding Bonds, Series 2016 on September 21, 2016 with an interest rate of 5.00%. The Bonds were issued at a premium of \$6,535,208 and mature on February 15, 2028. Bonds maturing on February 15, 2027 are subject to redemption prior to their scheduled maturities on February 15, 2026. The Series 2016 Bonds are direct obligations of HCC and are payable from ad valorem taxes levied against all taxable property located within HCC. The Bonds were used to partially refund \$33,275,000 in Maintenance Tax Notes, Series 2008 with interest rates ranging from 4.00% to 5.00% with an optional redemption date of February 15, 2018.

HCC issued \$32,060,000 in Maintenance Tax Refunding Bonds, Series 2020 on February 19, 2020 with an interest rate of 5.00%. The Bonds were issued at a premium of \$5,505,362 and mature on February 15, 2029. The Series 2020 Bonds are direct obligations of HCC and are payable from ad valorem taxes levied against all taxable property located within HCC. The Bonds were used to partially refund \$2,980,000 in Maintenance Tax Notes, Series 2006 with interest rates ranging from 4.25% to 4.375% with an optional redemption date of February 15, 2016; \$5,560,000 in Maintenance Tax Notes, Series 2009 with interest rates ranging from 3.625% to 5.00% with an optional redemption date of February 15, 2019; and \$28,605,000 in Maintenance Tax Notes, Series 2010 with interest rates of 5.00% with an optional redemption date of February 15, 2020.

HCC issued \$31,185,000 in Maintenance Tax Refunding Bonds, Series 2021A on February 11, 2021 with an interest rates ranging from 3.00% to 5.00%. The Bonds were issued at a premium of \$7,593,244 and mature on February 15, 2031. The Series 2021A Bonds are direct obligations of HCC and are payable from ad valorem taxes levied against all taxable property located within HCC. The Bonds were used to refund \$25,845,000 in Maintenance Tax Notes, Series 2011 with interest rates ranging from 5.00% to 5.25% with an optional redemption date of February 15, 2021 and \$12,480,000 in Maintenance Tax Notes, Series 2011A with interest rate ranging from 4.00% to 5.25% with an optional redemption date of February 15, 2021.

The Bond Resolution, which authorizes the issuance of the Maintenance Tax Bonds, does not establish specific events of default. Under Texas law, there is no right to the acceleration of the maturity of the Bonds upon the failure of HCC to observe any covenant under the Bond Resolution. If a default were to occur, the only practical remedy of a registered bond holder is to file a mandatory injunction to compel HCC to levy, assess and collect an annual ad valorem tax sufficient to pay principal and interest on the Bonds as it becomes due. The enforcement of any such remedy may be difficult and time-consuming and a registered bond holder could be required to enforce such a remedy on a periodic basis.

HOUSTON CITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 - BONDS PAYABLE – CONTINUED

Date Series Issued	Par Value	Maturity Date	Interest Rate	Outstanding Balances at August 31, 2025	Outstanding Balances at August 31, 2024
Student Fee Revenue Bonds:					
2011	\$ 33,940,000	04/15/2012 - 2025	4.000% - 5.125%	-	2,545,000
2014A	\$ 9,210,000	04/15/2015 - 2026	2.000% - 4.000%	915,000	1,805,000
2014B	\$ 30,900,000	04/15/2015 - 2026	.31% - 4.070%	1,085,000	2,130,000
2015	\$ 68,865,000	04/15/2016 - 2031	2.000% - 5.000%	25,205,000	29,285,000
2016	\$ 50,345,000	04/15/2017 - 2031	3.000% - 5.000%	23,825,000	27,310,000
2019	\$ 26,870,000	04/15/2020 - 2030	5.00%	7,910,000	10,220,000
2020	\$ 11,570,000	04/15/2021 - 2031	4.000% - 5.000%	8,270,000	9,425,000
Limited Tax Bonds:					
2016	\$ 19,455,000	2/15/2037	3.000% - 4.000%	19,455,000	19,455,000
2020	\$ 33,290,000	02/15/35 -2036	4.000% - 5.000%	33,290,000	33,290,000
2021A	\$ 49,615,000	02/15/21 - 2028	3.000% - 5.000%	19,570,000	27,605,000
2021B	\$ 298,290,000	02/15/23 - 2043	1.659% - 5.000%	281,700,000	289,620,000
Maintenance Tax Bonds:					
2016	\$ 28,870,000	02/15/19 - 2028	5.000%	10,215,000	13,295,000
2020	\$ 32,060,000	02/15/22 - 2029	5.000%	11,780,000	15,595,000
2021A	\$ 31,185,000	02/15/22 - 2031	3.000% - 5.000%	20,500,000	23,355,000
Total Principal Payable				463,720,000	504,935,000
Unamortized Premium and Discount, Net				47,696,086	53,919,134
Total Bonds Payable				<u>\$ 511,416,086</u>	<u>\$ 558,854,134</u>

HOUSTON CITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 - BONDS PAYABLE – CONTINUED

Debt service requirements to maturities as of August 31, 2025 are summarized as follows:

Year ending August 31,	Student Fee Revenue Bonds			Maintenance Tax Bonds			Limited Tax Bonds			Total Bonds		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2026	12,600,000	3,190,472	15,790,472	8,975,000	1,900,375	10,875,375	15,995,000	11,125,611	27,120,611	37,570,000	16,216,458	53,786,458
2027	11,135,000	2,586,575	13,721,575	9,425,000	1,440,375	10,865,375	14,775,000	10,356,361	25,131,361	35,335,000	14,383,311	49,718,311
2028	11,675,000	2,029,825	13,704,825	9,915,000	956,875	10,871,875	14,500,000	9,624,486	24,124,486	36,090,000	12,611,186	48,701,186
2029	12,180,000	1,528,675	13,708,675	6,650,000	542,750	7,192,750	19,020,000	8,786,486	27,806,486	37,850,000	10,857,911	48,707,911
2030	12,790,000	919,675	13,709,675	3,670,000	284,750	3,954,750	23,315,000	7,728,111	31,043,111	39,775,000	8,932,536	48,707,536
2031 - 2035	6,830,000	280,175	7,110,175	3,860,000	96,500	3,956,500	145,240,000	25,789,806	171,029,806	155,930,000	26,166,481	182,096,481
2036 - 2040	-	-	-	-	-	-	119,670,000	5,660,383	125,330,383	119,670,000	5,660,383	125,330,383
2041 - 2043	-	-	-	-	-	-	1,500,000	58,523	1,558,523	1,500,000	58,523	1,558,523
	<u>\$ 67,210,000</u>	<u>\$ 10,535,397</u>	<u>\$ 77,745,397</u>	<u>\$ 42,495,000</u>	<u>\$ 5,221,625</u>	<u>\$ 47,716,625</u>	<u>\$ 354,015,000</u>	<u>\$ 79,129,769</u>	<u>\$ 433,144,769</u>	<u>\$ 463,720,000</u>	<u>\$ 94,886,791</u>	<u>\$ 558,606,791</u>

Debt service requirements to maturities as of August 31, 2024 are summarized as follows:

Year ending August 31,	Student Fee Revenue Bonds			Maintenance Tax Bonds			Limited Tax Bonds			Total Bonds		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2025	15,510,000	3,943,249	19,453,249	9,750,000	2,368,500	12,118,500	15,955,000	11,924,361	27,879,361	41,215,000	18,236,110	59,451,110
2026	12,600,000	3,190,472	15,790,472	8,975,000	1,900,375	10,875,375	15,995,000	11,125,611	27,120,611	37,570,000	16,216,458	53,786,458
2027	11,135,000	2,586,575	13,721,575	9,425,000	1,440,375	10,865,375	14,775,000	10,356,361	25,131,361	35,335,000	14,383,311	49,718,311
2028	11,675,000	2,029,825	13,704,825	9,915,000	956,875	10,871,875	14,500,000	9,624,486	24,124,486	36,090,000	12,611,186	48,701,186
2029	12,180,000	1,528,675	13,708,675	6,650,000	542,750	7,192,750	19,020,000	8,786,486	27,806,486	37,850,000	10,857,911	48,707,911
2030 - 2034	19,620,000	1,199,850	20,819,850	7,530,000	381,250	7,911,250	137,340,000	29,734,539	167,074,539	164,490,000	31,315,639	195,805,639
2035 - 2039	-	-	-	-	-	-	150,385,000	9,398,245	159,783,245	150,385,000	9,398,245	159,783,245
2040 - 2043	-	-	-	-	-	-	2,000,000	104,040	2,104,040	2,000,000	104,040	2,104,040
	<u>\$ 82,720,000</u>	<u>\$ 14,478,646</u>	<u>\$ 97,198,646</u>	<u>\$ 52,245,000</u>	<u>\$ 7,590,125</u>	<u>\$ 59,835,125</u>	<u>\$ 369,970,000</u>	<u>\$ 91,054,130</u>	<u>\$ 461,024,130</u>	<u>\$ 504,935,000</u>	<u>\$ 113,122,901</u>	<u>\$ 618,057,901</u>

HOUSTON CITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS

NOTE 9 - DEFEASANCE OF LONG-TERM DEBT

In the fiscal years 2025 and 2024, HCC did not have any defeasances of long-term debt.

NOTE 10 - DEFEASED BONDS OUTSTANDING

In the fiscal years 2025 and 2024, HCC did not have any outstanding defeased bonds and notes.

NOTE 11 - NOTES PAYABLE

Notes Payable at August 31, 2025 and 2024 were as follows:

Description	As of August 31, 2025	As of August 31, 2024
	Principal Outstanding	Principal Outstanding
LoanSTAR Revolving Loan Program	1,770,569	2,491,367
Total	\$ 1,770,569	\$ 2,491,367

LoanSTAR Program

HCC entered into a revolving loan agreement on March 22, 2016, for \$5,229,822 with the Texas Comptroller of Public Accounts through its State Energy Conservation Office. The purpose of the loan was to finance energy efficiency projects. Borrowings under the Program totaled \$4,263,993. All energy projects have been completed, and a final repayment schedule has been determined by the State. The loan will be repaid over 8.25 years with an annual interest rate of 1%. The loan balance outstanding was \$1,042,536 and \$1,683,484 on August 31, 2025, and August 31, 2024, respectively. HCC entered into a second revolving loan agreement on December 7, 2016, for \$7,056,096 with the Texas Comptroller of Public Accounts through its State Energy Conservation Office. The purpose of the loan was to finance energy efficiency projects. Borrowings under the Program totaled \$1,987,134. All energy projects have been completed, and a final repayment schedule has been determined by the State. The loan will be repaid over 8.25 years with an annual interest rate of 1%. The loan balance outstanding was \$728,033 and \$807,883 respectively, on August 31, 2025, and August 31, 2024.

In the event of default by HCC to make a loan payment under the Loan STAR Loan Agreements, the State shall notify HCC of the default, and HCC shall have a reasonable opportunity, not to exceed twenty (20) days, to cure the default. If HCC fails to cure the default, the State shall be released from all of its obligations under the Agreements and shall have the right to declare the loans in default and all amounts loaned to HCC under the Agreements and earned interest shall become immediately due. HCC waives all demands for payment, presentations for payment, and notices of intention to accelerate maturity, notices of acceleration of maturity, protest, and notices of protest, to the extent permitted by law. Upon receipt of notice of default from the State, HCC shall cancel or otherwise terminate any contract, agreement or order relating to the project and cease to incur any cost or expense relating to the project. If HCC fails to repay the loan within ninety (90) days of State's declaration of default under the Agreements, the State may notify the Office of the Governor, Legislative Budget Board, and the Texas Higher Education Coordinating Board of HCC's breach of the Agreements and the amount owed by HCC under the Agreements and recommend to the Legislative Budget Board that HCC's appropriation of funds for the next succeeding biennium be reduced by an amount equal to the total amount due under the Agreements.

HOUSTON CITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS

NOTE 11 - NOTES PAYABLE-CONTINUED

Tax-Exempt Note Purchase Agreement

Maturities of notes payable at August 31, 2025 were as follows:

<u>Year ending August 31</u>	<u>Total</u>
2026	743,014
2027	743,014
2028	308,269
Total Payments	1,794,297
Less Amounts Representing Interest	<u>(23,728)</u>
Total Notes Payable	<u>\$ 1,770,569</u>

Maturities of notes payable at August 31, 2024 were as follows:

<u>Year ending August 31</u>	<u>Total</u>
2025	743,014
2026	743,014
2027	746,288
2028	309,027
Total Payments	2,541,343
Less Amounts Representing Interest	<u>(49,976)</u>
Total Notes Payable	<u>\$ 2,491,367</u>

HOUSTON CITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS

NOTE 12 – LEASED FACILITIES

In all lease agreements, HCC is the lessor. HCC had a total of fifteen (15) leases that qualify for GASB 87. HCC recognized \$3,684,849 in lease revenue and \$609,165 in interest income during the current fiscal year related to the (15) leases. As of August 31, 2025, HCC's current receivable for lease payments was \$3,475,205 and long-term receivable was \$18,241,761, respectively. Also, HCC has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease term. As of August 31, 2025, the balance of the deferred inflow of resources was \$21,228,275. HCC had a total of fifteen (15) leases that qualified for GASB 87 in FY2024. HCC recognized \$3,275,483 in lease revenue and \$647,724 in interest income during the previous fiscal year related to the (15) leases. As of August 31, 2024, HCC's current receivable for lease payments was \$3,820,287 and long-term receivable was \$20,465,825. Also, HCC has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease term. As of August 31, 2024, the balance of the deferred inflow of resources was \$24,622,076.

Future Principal and Interest Lease payments as of August 31, 2025, were as follows:

Fiscal Year Ending August 31,	Principal	Interest	Total
2026	\$ 3,475,205	\$ 525,018	\$ 4,000,223
2027	3,415,121	431,301	3,846,422
2028	3,137,937	340,601	3,478,538
2029	3,125,150	254,584	3,379,734
2030	3,261,628	165,555	3,427,183
2031-2035	5,271,219	176,842	5,448,061
2036-2040	30,706	794	31,500
Totals	\$ 21,716,966	\$ 1,894,695	\$ 23,611,661

NOTE 13 – SUBSCRIPTION-BASED IT ARRANGEMENTS (SBITAs)

HCC had a total of twenty-two (22) SBITAS that qualify for GASB 96 in the current fiscal year. HCC recognized \$5,435,692 in current liability and \$3,120,956, in long term liability related to the (24) SBITAS. As of August 31, 2025, HCC's interest expense and accrued interest was \$338,375 and \$466,208. Also, during the current fiscal year amortization expense and accumulated amortization was \$6,435,169 and \$9,704,543, respectively. HCC recognized subscription assets in the amount of \$18,724,948, as of August 31, 2025. HCC had a total of twenty-two (22) SBITAS that qualified for GASB 96 in FY2024. HCC recognized \$3,399,100 in currently liability and \$3,984,779 in long term liability related to the (22) SBITAS. As of August 31, 2024, HCC's interest expense and accrued interest was \$176,298 and \$276,218. Also, during the previous fiscal year amortization expense and accumulated amortization was \$6,380,801 and \$6,058,636, respectively. HCC recognized subscription assets in the amount of \$13,810,791, as of August 31, 2024.

Future principal and interest SBITA payments as of August 31, 2025, were as follows:

Fiscal Year Ending August 31,	Principal	Interest	Total
2026	\$ 5,435,692	\$ 196,639	\$ 5,632,331
2027	2,650,434	75,302	2,725,736
2028	365,297	6,215	371,512
2029	105,225	3,199	108,424
Totals	\$ 8,556,648	\$ 281,355	\$ 8,838,003

HOUSTON CITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS

NOTE 14 - RETIREMENT PLANS

The State of Texas has joint contributory retirement plans for almost all its employees. One of the primary plans in which HCC participates is administered by the Teacher Retirement System of Texas.

Teacher Retirement System of Texas

Plan Description. HCC contributes to the Teacher Retirement System of Texas (TRS), a cost-sharing multiple employer defined benefit pension plan that has a special funding situation. TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public-school systems of Texas. It operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. TRS's Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard workload and who are not exempt from membership under Texas Government Code, Title 8, Section 822.002 are covered by TRS.

Pension Plan Fiduciary Net Position. Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report is available online at <https://www.trs.texas.gov/sites/default/files/migrated/trs-acfr-2024.pdf>, or by writing to TRS at 1000 Red River Street, Austin, Texas, 78701-2698.

Benefits Provided. TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic cost of living adjustments (COLA). Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description.

Contributions. Contribution requirements are not actuarially determined but are established and amended by Article 16, section 67 of the Texas Constitution. The state funding policy is as follows: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of HCC during the fiscal year. (2) Texas Government Code section 821.006 prohibits benefit improvements or contribution reductions if, as a result of a particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if that amortization period already exceeds 31 years, the period would be increased by such action.

HOUSTON CITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS

NOTE 14 - RETIREMENT PLANS - CONTINUED

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 through 2025.

Contribution Rates

	<u>2025</u>	<u>2024</u>
Member	8.25%	8.25%
Non-Employer Contributing Entity (State)	8.25%	8.25%
Employers	8.25%	8.25%
 FY 2024 District or Member Contributions		\$8,487,043
FY 2024 State of Texas On-behalf Contributions		\$5,625,563
FY 2024 System or College Contributions		\$8,453,914

HCC contributions to the TRS pension plan in 2025 were \$9,480,611 as reported in the Schedule of System Contributions in the Required Supplementary Information section of these financial statements. Estimated State on-behalf contributions for 2025 were \$5,600,000.

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers.

Public junior college or junior college districts are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

Actuarial Assumptions. The total pension liability in August 31, 2024 actuarial valuation was calculated using the following assumptions:

Valuation Date	August 31, 2024
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions:	
Single Discount Rate	7.00%
Long-term Expected Investment Rate of Return	7.00%
Municipal Bond Rate*	3.87%*
Inflation	2.30%
Salary increases including inflation	2.95% to 8.95%
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

* The source for the rate is the Bond Buyers 20 Index which represents the estimated yield of a portfolio of 20 general obligation bonds maturing in 20 years based on a survey of municipal bond traders.

The actuarial methods and assumptions were selected by the Board of Trustees based upon analysis and recommendations by TRS's actuary. The TRS Board of Trustees has sole authority to determine the actuarial assumptions used for the Plan. The actuarial methods and assumptions were primarily based on a study of actual experience for the four-year period ending August 31, 2021 and were adopted in July 2022.

HOUSTON CITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS

NOTE 14 - RETIREMENT PLANS - CONTINUED

Discount Rate. A single discount rate of 7.00 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.00 percent. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the Legislature during the 2019 legislative session. It is assumed that future employer and state contributions will be 9.54 percent of payroll in fiscal year 2025 and thereafter. This includes all employer and state contributions for active and rehired retirees.

Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term rate of return on pension plan investments is 7.00%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in TRS's target asset allocation as of August 31, 2024, are summarized below:

Table 3.A.1: Asset Allocations			
Asset Class	Target Allocation %**	Long-Term Expected Geometric Real Rate of Return***	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.0 %	4.4 %	1.0 %
Non-US Developed	13.0	4.2	0.8
Emerging Markets	9.0	5.2	0.7
Private Equity	14.0	6.7	1.2
Stable Value			
Government Bonds	16.0	1.9	0.4
Stable Value Hedge Funds	5.0	3.0	0.2
Absolute Return*	0.0	4.0	0.0
Real Return			
Real Estate	15.0	6.6	1.2
Energy, Natural Resources & Infrastructure	6.0	5.6	0.4
Commodities	0.0	2.5	0.0
Risk Parity	8.0	4.0	0.4
Asset Allocation Leverage			
Cash	2.0	1.0	0.0
Asset Allocation Leverage	(6.0)	1.3	(0.1)
Inflation Expectation			2.4
Volatility Drag****			(0.7)
Expected Return	100.0 %		7.9 %
*Absolute Return includes Credit Sensitive Investments.			
**Target allocations are based on the FY2024 policy model.			
***Capital Market Assumptions (CMA) come from 2024 SAA Study CMA Survey (as of 12/31/2023)			
****The volatility drag results from the conversion between arithmetic and geometric mean returns.			

Source: Teacher Retirement System of Texas 2024 Annual Comprehensive Financial Report

HOUSTON CITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS

NOTE 14 - RETIREMENT PLANS - CONTINUED

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.00%) in measuring the 2024 Net Pension Liability.

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
HCC proportionate share of the net pension liability:	\$146,939,231	\$91,994,941	\$46,469,691

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At August 31, 2025, HCC reported a liability of \$91,994,941 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to HCC. The amount recognized by HCC as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with HCC were as follows:

HCC's Proportionate share of the collective net pension liability	\$91,994,941
State's proportionate share that is associated with Houston Community College System	\$60,978,052
Total	<u>\$152,972,993</u>

The net pension liability was measured as of August 31, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2024. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2023 thru August 31, 2024.

At the measurement date of August 31, 2024, HCC's proportion of the collective net pension liability was 0.1506035559%, which was a decrease of 0.002408909% from its proportion measured as of August 31, 2023.

Changes Since the Prior Actuarial Valuation.

The actuarial assumptions and methods are the same as used in the determination of the prior year's Net Pension Liability.

HOUSTON CITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS

NOTE 14 - RETIREMENT PLANS – CONTINUED

For the year ended August 31, 2025, Houston City College recognized pension expense of \$7,287,896 and revenue of \$7,287,896 for support provided by the State.

At August 31, 2025, HCC reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 5,070,636	\$ 718,252
Changes in actuarial assumptions	4,749,896	636,799
Net difference between projected and actual investment earnings	559,205	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	-	5,665,741
Contributions paid to TRS subsequent to the measurement date	9,480,611	-
Total	\$ 19,860,348	\$ 7,020,792

The \$9,480,611 reported as deferred outflows of the resources resulting from employer contributions subsequent to the measurement date will be recognized as reduction of the net position liability in the year ended August 31, 2026.

The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended August 31:	Pension Expense Amount
2026	\$ (1,892,650)
2027	8,125,300
2028	(108,165)
2029	(2,931,810)
2030	166,270
Total	\$ 3,358,945

HOUSTON CITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS

NOTE 14 - RETIREMENT PLANS - CONTINUED

Optional Retirement Plan

Plan Description. The State has also established an optional retirement program for institutions of higher education. Participation in the Optional Retirement Program is in lieu of participation in the Teacher Retirement System. The optional retirement program provides for the purchase of annuity contracts and operates under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C.

Funding Policy. Contribution requirements are not actuarially determined but are established and amended by the State Legislature. The percentages of participant salaries currently contributed by the State and each participant are 6.60% and 6.65%, respectively. Benefits fully vest after one year plus one day of employment. Because these are individual annuity contracts, the state has no additional or unfunded liability for this program.

The total payroll for all System employees was \$257,617,153 and \$228,647,224 for fiscal years 2025 and 2024, respectively. The total payroll of employees covered by the Teacher Retirement System was \$191,907,977 and \$171,365,516 and the total payroll of employees covered by the Optional Retirement Program was \$29,518,812 and \$29,106,226 for fiscal years 2025 and 2024, respectively.

NOTE 15 - DEFERRED COMPENSATION PROGRAM

HCC's employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in Government Code 609.001. Both a 403(b) plan and a 457 plan are available. The plan is funded by employee contributions such that the employer is not liable for the diminution in value or loss of all or part of the participating employees' deferred amounts or investment income due to market conditions or the failure, insolvency or bankruptcy of a qualified vendor. The total number of employees participating in the program at August 31, 2025, and 2024 were 468 and 483, respectively.

During fiscal years ended August 31, 2025, and August 31, 2024, employee contributions amounting to \$3,981,929 and \$3,932,749 were invested in the plans, respectively.

NOTE 16 - COMPENSATED ABSENCES

HCC implemented GASB 101 in FY25, which change the methodology used to calculate compensated absences. The College did not restate the FY24 because it had no material effect on the financials. Full-time employees earn sick leave at the rate of eight hours for every month of service in HCC up to a maximum of 680 hours. Each pay period, four sick leave hours and two catastrophic leave hours accrue. Leave hours are not available for use until accrued. After the maximum 680 hours sick leave accrual is reached, the full-time employee will accrue catastrophic leave of six hours per month up to a maximum of 1,000 hours. Earned sick or catastrophic leave unused by employees is not compensated by HCC under any circumstances.

Employees can earn up to 160 vacation hours per fiscal year. Up to 200 earned but unused vacation hours may be carried forward by employees from one fiscal year to the next. An employee is compensated up to 80 hours for any earned but unused vacation hours upon termination of employment with HCC plus the balance of time accrued during the current fiscal year. Accrued compensable absences of \$13,405,896 and \$4,955,308 for earned but unused vacation hours in accordance with HCC's vacation earning and carry-forward policy has been included in the financial statements for the years ended August 31, 2025, and 2024, respectively.

Compensated Absences Liability

Beginning Balance	4,955,308
Additions	11,016,968
Ending Balance	<u><u>15,972,276</u></u>

This note presents a net increase (decrease) in compensated absences.

HOUSTON CITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS

NOTE 17 - FUNDS HELD IN TRUST BY OTHERS

The funds held for others in the amount of \$841,776 and \$908,680 for August 31, 2025, and August 31, 2024 respectively are predominantly custodial funds for student organizations held in trust by HCC.

NOTE 18 - CONSTRUCTION COMMITMENTS

HCC has entered into construction commitments for various projects, including the renovation and repair of facilities and the construction of buildings. On August 31, 2025, and 2024, the outstanding commitments under construction contracts for facilities and other projects were \$16,606,375 and \$12,866,919, respectively. Proceeds from the sales of various bonds and notes were used to fund the purchase and construction of new facilities.

NOTE 19 – CONTINGENCIES

HCC is a defendant in various lawsuits and administrative actions arising in the ordinary course of the performance of its governmental functions, certain of which seek substantial damages. Such litigation and actions include lawsuits claiming damages that allege personal injuries, wrongful deaths and property damage and lawsuits and administrative actions alleging discriminatory hiring and firing practices; various claims from contractors for amounts under construction contracts; inverse condemnation claims; and various other liability claims. The status of such litigation and actions ranges from an early discovery stage to various levels of appeal of judgments. The amount of damages is limited in certain cases under the Texas Tort Claims Act and Title VII of the Civil Rights Act of 1964 and is subject to appeal. HCC intends to defend itself against each of these lawsuits and actions vigorously. HCC cannot predict, as of the date hereof, the final outcome of any particular claim, suit or action.

NOTE 20 – HEALTH CARE AND LIFE INSURANCE BENEFITS

The State provides certain health care and life insurance benefits for active employees. These and similar benefits are provided through a self-funded State plan which is administered by an insurance company. The premiums are based on benefits paid during the previous year. The table below depicts the cost of providing health care benefits to HCC's retired and active employees, and the amount appropriated to HCC from the State. Payments of these benefits by the State were recognized as restricted state appropriations with an equal amount recognized as restricted benefits expenses. These payments do not flow through HCC's cash accounts.

<u>HealthSelect of Texas Plan</u>	<u>2025 State/Employer Contribution</u>
Member Only	\$ 624.82
Member & Spouse	982.82
Member & Child (ren)	864.52
Member & Family	1,222.52

<u>HealthSelect of Texas Plan</u>	<u>2024 State/Employer Contribution</u>
Member Only	\$ 624.82
Member & Spouse	982.82
Member & Child (ren)	864.52
Member & Family	1,222.52

HOUSTON CITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS

NOTE 20 – HEALTH CARE AND LIFE INSURANCE BENEFITS – CONTINUED

Cost of Providing Health Care Insurance	2025	2024
Number of Retirees	875	852
Cost of Health Benefits for Retirees	\$ 7,052,935	\$ 6,825,210
Number of Active Full Time Employees	2,683	2,599
Cost of Health Benefits for Active Full Time Employees	\$ 21,679,819	\$ 21,432,620
State Appropriation for Health Insurance	\$ 13,555,140	\$ 13,555,140
System's Expense for Health Insurance	\$ 12,498,701	\$ 13,639,619

NOTE 21 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description. HCC participates in a cost-sharing, multiple-employer, other postemployment benefit (OPEB) plan with a special funding situation. The Texas Employees Group Benefits Program (GBP) is administered by the ERS. The GBP provides certain postemployment health care, life and dental insurance benefits to retired employees of participating universities, community colleges, and State agencies in accordance with Chapter 1551, Texas Insurance Code. Almost all employees may become eligible for those benefits if they reach normal retirement age while working for the State and retire with at least 10 years of service to eligible entities. Surviving spouses and dependents of these retirees are also covered. Benefit and contribution provisions of the GBP are authorized by State law and may be amended by the Texas Legislature.

OPEB Plan Fiduciary Net Position. Detailed information about the GBP's fiduciary net position is available in the separately issued ERS Annual Comprehensive Financial Report that includes financial statements, notes to the financial statements, and required supplementary information. That report may be obtained online at <https://ers.texas.gov/About-ERS/Reports-and-Studies/Reports-on-Overall-ERS-Operations-and-Financial-Management>; by writing to ERS at: 200 East 18th Street, Austin, TX 78701; or by calling (877) 275-4377

Benefits Provided. Retiree health benefits offered through the GBP are available to most State retirees and their eligible dependents. Participants need at least ten years of service credit with an agency or institution that participates in the GBP to be eligible for GBP retiree insurance. The GBP provides self-funded group health (medical and prescription drug) benefits for eligible retirees under HealthSelect. The GBP also provides a fully insured medical benefit option for Medicare-primary participants under the HealthSelect Medicare Advantage Plan and life insurance benefits to eligible retirees via a minimum premium funding arrangement. The authority under which the obligations of the plan members and employers are established and/or may be amended is Chapter 1551, Texas Insurance Code.

Contributions. Section 1551.055 of Chapter 1551, Texas Insurance Code, provides that contribution requirements of the plan members and the participating employers are established and may be amended by the ERS Board of Trustees. The employer and member contribution rates are determined annually by the ERS Board of Trustees based on the recommendations of ERS staff and its consulting actuary. The contribution rates are determined based on (i) the benefit and administrative costs expected to be incurred, (ii) the funds appropriated and (iii) the funding policy established by the Texas Legislature in connection with benefits provided through the GBP. The Trustees revise benefits when necessary to match expected benefit and administrative costs with the revenue expected to be generated by the appropriated funds.

HOUSTON CITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS

NOTE 21 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) - CONTINUED

The following table summarizes the maximum monthly employer contribution toward eligible retirees' health and basic life premium. Retirees pay any premium over and above the employer contribution. The employer does not contribute toward dental or optional life insurance. Surviving spouses and their dependents do not receive any employer contribution. As the non-employer contributing entity (NECE), the State pays part of the premiums for the junior and community colleges.

Maximum Monthly Employer Contribution
Retiree Health and Basic Life Premium
For the Measurement Years Ended August 31, 2024 and 2023

	2024	2023
Retiree only	\$ 624.82	\$ 624.82
Retiree and spouse	1,340.82	1,340.82
Retiree and children	1,104.22	1,104.22
Retiree and family	1,820.22	1,820.22

Source: ERS FY 2024 and 2023 Annual Comprehensive Financial Report

Contributions of premiums to the GBP plan for the year ended August 31, 2025 by source are summarized below.

Premium Contributions by Source
Group Benefits Program Plan

FY 2025 System or College Contributions	\$2,934,905
FY 2024 State of Texas NECE Contributions*	\$13,555,139

*NECE on-behalf contributions include both active members and retirees

HOUSTON CITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS

NOTE 21 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) - CONTINUED

Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation as of August 31, 2024, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumptions
ERS Group Benefits Program Plan

Valuation Date	August 31, 2024
Actuarial Cost Method	Entry Age
Last Experience Study	State Agency Members: 5-year period ending August 31, 2023 Higher Education Members: 7-year period ending August 31, 2021
Actuarial Assumptions:	
Discount Rate	3.87%
Projected Annual Salary Increase	2.30% to 8.95%, including inflation
Annual Healthcare Trend Rate	HealthSelect 5.60% for FY2026, 5.60% for FY2027, 5.25% for FY2028, 5.00% for FY2029, 4.75% for FY2030, 4.50% for FY2031 decreasing 10 basis points per year to an ultimate rate of 4.30% for FY2033 and later years HealthSelect Medicare Advantage 36.00% for FY2026, 8.00% for FY2027, 5.25% for FY2028, 5.00% for FY2029, 4.75% for FY2030, 4.50% for FY2031 decreasing 10 basis points per year to an ultimate rate of 4.30% for FY2033 and later years Pharmacy 11.50% for FY2026, 11.00% for FY2027, 10.00% for FY2028, 8.50% for FY2029, 7.00% for FY2030 decreasing 100 basis points per year to 5.00% for FY2032 and 4.30% for FY2033 and later years
Inflation Assumption Rate	2.30%
Ad hoc Postemployment Benefit Changes	None
Mortality Rate	State Agency Members a. Service Retirees, Survivors and other Inactive Members (Regular, Elected, CPO/CO and JRS I and II Employee Classes): 2020 State Retirees of Texas Mortality table with a 1 year set forward for male CPO/CO members. Generational mortality improvements in accordance with the Ultimate MP-2021 Projection Scale are projected from the year 2020. b. Service Retirees, Survivors and other Inactive Members (JRS I and II Employee Classes): 2020 State Retirees of Texas Mortality table with a 2 year setback. Generational mortality improvements in accordance with the Ultimate MP-2020 Projection Scale are projected from the year 2020. c. Disability Retirees (Regular, Elected, CPO/CO and JRS I and II Employee Classes): 2020 State Retirees of Texas Mortality table set forward three years for males and females. Generational mortality improvements in accordance with the Ultimate MP-2021 Projection Scale are projected from the year 2020. Minimum rates of 3.0% and 2.5% apply at all ages for males and females, respectively. d. Active Members: Pub-2010 General Employees Active Member Mortality table for non-CPO/CO members. Pub-2010 Public Safety Active Member Mortality table for CPO/CO members. Generational mortality improvements in accordance with the Ultimate MP-2021 Projection Scale are projected from the year 2010. Higher Education Members a. Service Retirees, Survivors and other Inactive Members: Tables based on TRS experience with Ultimate MP-2021 Projection Scale from the year 2021. b. Disability Retirees: Tables based on TRS experience with Ultimate MP-2021 Projection Scale from the year 2021 using a 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members. c. Active Members: Sex Distinct Pub-2010 Amount-Weighted Below-Median Income Teacher Mortality with a 2-year set forward for males with Ultimate MP-2021 Projection Scale from the year 2010.

Source: FY24 ERS ACFR except for mortality assumptions obtained from ERS FY25 GASB 74 Actuarial Valuation

HOUSTON CITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS

NOTE 21 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) - CONTINUED

The actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and the actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Investment Policy. The State Retiree Health Plan is a pay-as-you-go plan and does not accumulate funds in advance of retirement. HCC's Board of Trustees amended the investment policy in August 2022 to require that all funds in this plan be invested in cash and equivalent securities.

Discount Rate. Because the State Retiree Health Plan does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the municipal bond rate. The discount rate used to determine the total OPEB liability as of the beginning of the measurement year was 3.81%. The discount rate used to measure the total OPEB liability as of the end of the measurement year was 3.87%. The source of the municipal bond rate was the Bond Buyer Index of general obligation bonds with 20 years to maturity and mixed credit quality. The bonds average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp's AA rating. Projected cash flows into the plan are equal to projected benefit payments out of the plan. Because the plan operates on a pay-as-you-go (PAYGO) basis and is not intended to accumulate assets, there is no long-term expected rate of return on plan assets and therefore the years of projected benefit payments to which the long-term expected rate of return is applicable is zero years.

Changes to Actuarial Assumptions since prior Actuarial Valuation. The following assumptions have been updated since the previous valuation to reflect recent plan experience and expected trends:

- Since the last valuation was prepared for this plan, demographic assumptions (including the mortality projection scale for all State Agency members; base mortality for Judges; assumed rates of retirement for certain members who are Regular Class, Elected Class or Certified Peace Officers/Custodial Officers (CPO/CO); assumed rates of termination for certain members who are Regular Class, Judges or Certified Peace Officers/Custodial Officers (CPO/CO); and assumed rates of disability for all State Agency members) have been updated to reflect assumptions recently adopted by the ERS Trustees
- These new assumptions were adopted to reflect an experience study on the ERS retirement plan performed by the ERS retirement plan actuary.
- Assumed Per Capita Health Benefit Costs and assumed Health Benefit Cost and Retiree Contribution trends have been updated to reflect recent experience and its effects on our short-term expectations. In addition, (a) the percentage of future retirees assumed to be married and electing coverage for their spouse, (b) the proportion of future retirees assumed to elect health coverage at retirement and the proportion of future retirees expected to receive the Opt-Out Credit at retirement, and (c) the Patient-Centered Outcomes Research Institute fee payable under the Affordable Care Act and the rate of future increases in the fee have been updated to reflect recent plan experience and expected trends.

Discount Rate Sensitivity Analysis. The following schedule shows the impact on HCC proportionate share of the collective net OPEB Liability if the discount rate used was 1 percent less than and 1 percent greater than the discount rate that was used (3.87%) in measuring the net OPEB Liability.

	1% Decrease in Discount Rate (2.87%)	Discount Rate (3.87%)	1% Increase in Discount Rate (4.87%)
HCC proportionate share of net OPEB liability:	\$164,328,064	\$141,235,281	\$122,703,065

HOUSTON CITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS

NOTE 21 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) - CONTINUED

Healthcare Trend Rate Sensitivity Analysis. The initial healthcare trend rate is 5.60% for HealthSelect and the ultimate rate is 4.3%.

The following schedule shows the impact on HCC’s proportionate share of the collective net OPEB Liability if the healthcare cost trend rate used was 1 percent less than and 1 percent greater than the healthcare cost trend rate that was used (5.60%) in measuring the net OPEB Liability.

	1% Decrease (HealthSelect: 4.60% decreasing to 3.30%)	Current Healthcare Cost Trend Rates (HealthSelect: 5.60% decreasing to 4.30%)	1% Increase (HealthSelect: 6.60% decreasing to 5.30%)
HCC proportionate share of net OPEB liability:	\$121,186,973	\$141,235,281	\$166,791,468

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.

At August 31, 2025, HCC reported a liability of \$141,235,281 for its proportionate share of the ERS’s net OPEB liability. This liability reflects a reduction for State support provided to HCC for OPEB. The amount recognized by HCC as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with HCC were as follows:

HCC Proportionate share of the collective net OPEB liability	\$141,235,281
State’s proportionate share that is associated with HCC	<u>\$130,259,890</u>
Total	<u>\$271,495,171</u>

The net OPEB liability was measured as of August 31, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The employer’s proportion of the net OPEB liability was based on the employer’s contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2023, through August 31, 2024.

At the measurement date of August 31, 2024, HCC’s proportion of the collective net OPEB liability was 0.48193973%, which was an increase of 0.00482196% from its proportion measured as of August 31, 2023.

For the year ended August 31, 2025, HCC recognized a reduction of OPEB expense and revenue of \$26,841 for support provided by the State.

HOUSTON CITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS

NOTE 21 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) – CONTINUED

At August 31, 2025, HCC reported its proportionate share of the ERS plan's collective deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 2,330,217
Changes in actuarial assumptions	7,732,565	28,135,138
Net Difference between projected and actual investment earnings	-	5,399
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,980,298	10,882,199
Contributions paid to ERS subsequent to the measurement date	2,934,905	-
Total	<u>\$ 12,647,768</u>	<u>\$ 41,352,953</u>

The \$2,934,905 reported as deferred outflows of resources resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended August 31, 2026.

The net amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended August 31:	OPEB Expense Amount
2026	\$ (12,721,593)
2027	(10,840,087)
2028	(8,003,462)
2029	(756,695)
2030	681,747
Total	<u>\$ (31,640,090)</u>

HOUSTON CITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS

NOTE 22 - PROPERTY TAX

HCC's Property tax is levied each October 1 on the basis of assessed values listed as of the prior January 1 for all real and business personal property located in System.

At August 31:	August 31, 2025 (Tax Year 2024)	August 31, 2024 (Tax Year 2023)
Assessed valuation of the System	\$ 361,429,974,371	\$ 353,027,013,568
Less: Exemptions	(78,843,843,533)	(76,236,745,022)
Net assessed valuation of the System	<u>\$ 282,586,130,838</u>	<u>\$ 276,790,268,546</u>

Taxes levied for the years ended August 31, 2025, and 2024, based on the certified rolls, as reported by the Taxing authorities amounted to \$271,799,818 and \$255,286,433 respectively, which includes any penalty and interest assessed if applicable.

Taxes are due by January 31 of the year following the levy and are delinquent if not paid before February 1 of that year.

The authorized and assessed tax rate for HCC were as follows:

	August 31, 2025			August 31, 2024		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Authorized rate per \$100 valuation	0.50	0.50	1.00	0.50	0.50	1.00
Assessed rate per \$100 valuation	0.081632	0.014551	0.096183	0.077451	0.014780	0.092231

Tax collections for the year ended August 31, 2025, and 2024 were as follows:

	2025	2024
Current taxes collected	\$ 263,753,477	\$ 244,756,726
Delinquent taxes collected	5,256,811	2,469,825
Penalties and interest collected	2,449,719	1,945,392
Total	<u>\$ 271,460,007</u>	<u>\$ 249,171,943</u>

For the years ended August 31, 2025, and 2024 tax collections represent 97% and 96% of the tax levy, respectively. Taxes assessed are recorded in HCC's financial statements net of the related allowance for uncollectable taxes, based upon HCC's expected collection experience. The use of tax proceeds is restricted to either maintenance and operations or interest and sinking expenditures.

The Harris County and Fort Bend County ("the Appraisal Districts") are responsible for the recording and appraisal of property for all taxing units in their respective counties. The Appraisal Districts are required by State law to assess property at 100% of its appraised value. Further, real property must be reappraised at least every four years. Under certain circumstances, taxpayers and taxing units, including HCC, may challenge orders of the appraisal review boards through various appeals and, if necessary, institute legal action.

HCC has entered into agreements with the county tax assessors to bill and collect HCC's property taxes, net of a collection fee.

HOUSTON CITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS

NOTE 23 - COMPONENT UNITS

The Houston Community College Foundation (the Foundation) – A Discretely Presented Component Unit

The Foundation was organized in the State of Texas on May 13, 1976, to function as a legally separate, non-profit foundation and it is controlled by a separate board of trustees. HCC does not appoint any of the Foundation's board members nor does it fund or is it obligated to pay debt related to the Foundation. The Foundation's purpose is (1) to maintain, develop, increase and extend the facilities and services of HCC; (2) to provide broad educational opportunities to HCC's students, staff, faculty and the residents of the geographical area that HCC serves; (3) to solicit and receive by gift, grant, devise, or otherwise, property, both real and personal, and to manage and administer the same, and (4) to make contributions, grants, gifts and transfers of property to or for the benefit of HCC, or to or for the benefit of other tax exempt organizations identified and associated with HCC.

Using the criteria established by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus-An Amendment of GASB Statements No. 14 and No. 34*, and GASB No. 39, *Determining Whether Certain Organizations are Component Units – An Amendment of GASB Statement No. 14*, HCC's management has determined that the Foundation should be reported as a discrete component unit of HCC because of the nature and significance of its relationship with HCC. The Foundation raises and holds economic resources for the direct benefit of HCC. Accordingly, the Foundation's financial statements are included in HCC's annual comprehensive financial report as a discretely presented component unit as Exhibit 1A – Statements of Financial Position - Foundation and Exhibit 2A and 2B – Statements of Activities – Foundation for the fiscal years ended August 31, 2025 and 2024.

For complete financial information about the Foundation, please contact the Foundation at: Houston Community College Foundation, 3100 Main, Suite 12B12, Houston, TX 77002 or visit their website at: <https://www.HCCfoundation.org/page.aspx?pid=767>.

NOTE 24 - SUBSEQUENT EVENTS

HCC Primary Depository Bank was changed from Bank of America to Chase Bank effective September 1, 2025.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

HOUSTON CITY COLLEGE
SCHEDULE OF HOUSTON CITY COLLEGE'S SHARE OF NET OPEB LIABILITY
FOR THE LAST EIGHT MEASUREMENT YEARS **

<u>Fiscal Year Ending August 31*,</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
System's proportionate share of collective net OPEB liability (%)	0.48193973%	0.47711777%	0.50183130%	0.51400424%	0.49303664%	0.52883726%	0.55179527%	0.24874785%
System's proportionate share of collective net OPEB liability (\$)	\$ 141,235,281	\$ 127,474,081	\$ 142,956,510	\$ 184,401,628	\$ 162,922,143	\$ 182,780,302	\$ 163,539,661	\$ 84,755,846
State's proportionate share of net OPEB liability associated with System	<u>130,259,890</u>	<u>123,708,887</u>	<u>133,404,669</u>	<u>151,427,679</u>	<u>139,447,639</u>	<u>131,107,295</u>	<u>110,392,282</u>	<u>84,826,192</u>
Total	<u>\$ 271,495,171</u>	<u>\$ 251,182,968</u>	<u>\$ 276,361,179</u>	<u>\$ 335,829,307</u>	<u>\$ 302,369,782</u>	<u>\$ 313,887,597</u>	<u>\$ 273,931,943</u>	<u>\$ 169,582,038</u>
System's covered payroll	\$ 200,471,742	\$ 190,418,642	\$ 186,735,129	\$ 182,748,222	\$ 186,517,995	\$ 173,839,594	\$ 173,191,132	\$ 162,660,919
System's share of collective net OPEB liability as a percentage of covered payroll	70.45%	66.94%	76.56%	100.90%	87.35%	105.14%	94.43%	52.11%
Plan fiduciary net position as a percentage of total OPEB liability	0.47%	0.63%	0.57%	0.38%	0.32%	0.17%	1.27%	2.04%

* The amounts presented above are as of the measurement date of the collective net OPEB liability.

** The schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying Notes to Required Supplementary Information

HOUSTON CITY COLLEGE
SCHEDULE OF HOUSTON CITY COLLEGE'S OPEB CONTRIBUTIONS
FOR THE LAST EIGHT FISCAL YEARS**

<u>Fiscal Year Ending August 31*</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Legally required contributions	\$ 2,934,905	\$ 2,553,326	\$ 2,509,050	\$ 2,184,636	\$ 2,242,159	\$ 1,987,500	\$ 2,512,107	\$ 2,557,844
Actual contributions	<u>2,934,905</u>	<u>2,553,326</u>	<u>2,509,050</u>	<u>2,184,636</u>	<u>2,242,159</u>	<u>1,987,500</u>	<u>2,512,107</u>	<u>2,557,844</u>
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
System covered payroll amount	\$ 221,426,789	\$ 200,471,742	\$ 190,418,642	\$ 186,735,129	\$ 182,748,222	\$ 186,517,995	\$ 173,839,594	\$ 173,191,132
Contributions as a percentage of covered payroll	1.33%	1.27%	1.32%	1.17%	1.23%	1.07%	1.45%	1.48%

* The amounts presented above are as of the System's respective fiscal year end.

** The schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying Notes to Required Supplementary Information

HOUSTON CITY COLLEGE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
NET OPEB LIABILITY
FOR THE YEAR ENDED AUGUST 31, 2025

Changes in Benefit Terms

Under Q/A #4.107 of GASB's Implementation Guide No. 2017-2, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, any plan changes that have been adopted and communicated to plan members by the time the valuation is prepared must be included in the valuation. Accordingly, this valuation reflects the minor benefit changes that became effective September 1, 2023, since these changes were communicated to plan members in advance of the preparation of this report. These changes, which are not expected to have a significant impact on plan costs for FY2025, are provided for in FY2025 Assumed Per Capita Health Benefit Costs.

Changes in Assumptions

Actuarial Assumptions

The following assumptions have been updated since the previous valuation to reflect recent plan experience and expected trends:

- Since the last valuation was prepared for this plan, demographic assumptions (including the mortality projection scale for all State Agency members; base mortality for Judges; assumed rates of retirement for certain members who are Regular Class, Elected Class or Certified Peace Officers/Custodial Officers (CPO/CO); assumed rates of termination for certain members who are Regular Class, Judges or Certified Peace Officers/Custodial Officers (CPO/CO); and assumed rates of disability for all State Agency members) have been updated to reflect assumptions recently adopted by the ERS Trustees
- These new assumptions were adopted to reflect an experience study on the ERS retirement plan performed by the ERS retirement plan actuary.
- Assumed Per Capita Health Benefit Costs and assumed Health Benefit Cost and Retiree Contribution trends have been updated to reflect recent experience and its effects on our short-term expectations. In addition, (a) the percentage of future retirees assumed to be married and electing coverage for their spouse, (b) the proportion of future retirees assumed to elect health coverage at retirement and the proportion of future retirees expected to receive the Opt-Out Credit at retirement, and (c) the Patient-Centered Outcomes Research Institute fee payable under the Affordable Care Act and the rate of future increases in the fee have been updated to reflect recent plan experience and expected trends.

The discount rate was changed from 3.81% as of August 31, 2023, to 3.87% as of August 31, 2024 as a result of requirements by GASB No. 74 to utilize the yield or index rate for 20-year, tax-exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

Minor benefit revisions have been adopted since the prior valuation. These changes, which are not expected to have a significant impact on plan costs for FY 2025, are provided for in the FY 2025 Assumed Per Capita Health Benefit Costs.

HOUSTON CITY COLLEGE
SCHEDULE OF HOUSTON CITY COLLEGE'S SHARE OF NET PENSION LIABILITY
FOR THE LAST TEN MEASUREMENT YEARS

Fiscal Year Ending August 31*,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
System's proportionate share of collective net pension liability (%)	0.1506035559%	0.1530124649%	0.1594766975%	0.1615515442%	0.1707631205%	0.1734675123%	0.1960476398%	0.2323411497%	0.2261676237%	0.2211843%
System's proportionate share of collective net pension liability (\$)	\$ 91,994,941	\$ 105,104,799	\$ 94,677,214	\$ 41,141,461	\$ 91,457,244	\$ 90,173,836	\$ 107,909,379	\$ 74,290,183	\$ 85,465,382	\$ 78,185,706
State's proportionate share of net pension liability associated with HCC	60,978,052	67,683,930	60,159,786	24,996,068	58,650,413	55,101,858	55,835,569	13,365,973	11,565,790	9,346,029
Total	<u>\$ 152,972,993</u>	<u>\$ 172,788,729</u>	<u>\$ 154,837,000</u>	<u>\$ 66,137,529</u>	<u>\$ 150,107,657</u>	<u>\$ 145,275,694</u>	<u>\$ 163,744,948</u>	<u>\$ 87,656,156</u>	<u>\$ 97,031,172</u>	<u>\$ 87,531,735</u>
System's covered payroll	\$ 171,365,516	\$ 161,936,807	\$ 157,340,558	\$ 150,758,056	\$ 150,697,784	\$ 144,837,608	\$ 148,417,506	\$ 131,555,086	\$ 119,277,740	\$ 111,062,958
System's share of collective net pension liability as a percentage of covered payroll	53.68%	64.90%	60.17%	27.29%	60.69%	62.26%	72.71%	56.47%	71.65%	70.40%
Plan fiduciary net position as a percentage of total pension liability	77.51%	73.15%	75.62%	88.79%	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%

* The amounts presented above are as of the measurement date of the collective net pension liability.

See accompanying Notes to Required Supplementary Information.

HOUSTON CITY COLLEGE
SCHEDULE OF HOUSTON CITY COLLEGE'S PENSION CONTRIBUTIONS
FOR THE LAST TEN FISCAL YEARS**

<u>Fiscal Year Ending August 31*,</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Legally required contributions	\$ 9,480,611	\$ 8,453,914	\$ 7,841,862	\$ 7,426,524	\$ 6,889,731	\$ 6,975,537	\$ 3,869,654	\$ 7,588,046	\$ 7,099,251	\$ 6,832,860
Actual contributions	<u>9,480,611</u>	<u>8,453,914</u>	<u>7,841,862</u>	<u>7,426,524</u>	<u>6,889,731</u>	<u>6,975,537</u>	<u>3,869,654</u>	<u>7,588,046</u>	<u>7,099,251</u>	<u>6,832,860</u>
Contributions deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
System covered payroll amount	\$ 191,907,977	\$ 171,365,516	\$ 161,936,807	\$ 157,340,558	\$ 150,758,056	\$ 150,697,784	\$ 144,837,608	\$ 148,417,506	\$ 131,555,086	\$ 119,277,740
Contributions as a percentage of covered payroll	4.94%	4.93%	4.84%	4.72%	4.57%	4.63%	2.67%	5.11%	5.40%	5.73%

* The amounts presented above are as of the System's respective fiscal year end.

**During fiscal year 2019, administration determined that more HCC employees could be classified as instructional or administrative resulting in a reduction of HCC's contributions and additional contributions made by the State on behalf of HCC.

See accompanying Notes to Required Supplementary Information

HOUSTON CITY COLLEGE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
NET PENSION LIABILITY
FOR THE YEAR ENDED AUGUST 31, 2025

Changes of Assumptions

The actuarial assumptions and methods are the same as used in the determination of the prior year's Net Pension Liability.

Changes in Benefit Terms

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

DRAFT

SUPPLEMENTAL SCHEDULES

HOUSTON CITY COLLEGE
SCHEDULE OF OPERATING REVENUES
FOR THE YEAR ENDED AUGUST 31, 2025
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2024)

Schedule A

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	FY 2025 Total	FY 2024 Total
Tuition:						
State Funded Courses:						
In-District Resident Tuition	\$ 17,636,019	\$ -	\$ 17,636,019	\$ -	\$ 17,636,019	\$ 16,761,059
Out-of-District Resident Tuition	44,948,085	-	44,948,085	-	44,948,085	40,136,152
State Funded Continuing Education	7,561,462	-	7,561,462	-	7,561,462	7,008,911
TPEG (Credit)	889,094	-	889,094	-	889,094	956,077
TPEG (Non-Credit)	601,824	-	601,824	-	601,824	435,811
Non-Resident Tuition	21,845,198	-	21,845,198	-	21,845,198	16,796,374
Non-State Funded Continuing Education	245,466	-	245,466	4,416	249,882	185,204
Total Tuition	93,727,149	-	93,727,149	4,416	93,731,565	82,279,588
Fees:						
Distance Learning Fees	7,553,258	-	7,553,258	-	7,553,258	6,817,659
Installment Plan Fees	801,975	-	801,975	-	801,975	735,218
General Fees	33,343,937	-	33,343,937	-	33,343,937	29,734,304
Laboratory Fees	1,358,683	-	1,358,683	-	1,358,683	1,249,400
Other Fees	26,480,859	-	26,480,859	-	26,480,859	23,930,804
Student Service Fees	2,011,118	-	2,011,118	1,836,157	3,847,275	3,528,018
Total Fees	71,549,830	-	71,549,830	1,836,157	73,385,987	65,995,403
Scholarship Allowances and Discounts:						
Remissions and Exemptions-State	(22,169,719)	-	(22,169,719)	-	(22,169,719)	(19,354,078)
Federal revenue, non-operating	(47,363,214)	(28,084)	(47,391,298)	-	(47,391,298)	(38,139,174)
Other Federal Grants	(680,262)	(2,440,952)	(3,121,214)	-	(3,121,214)	(2,643,147)
TPEG Awards	(1,234,335)	-	(1,234,335)	-	(1,234,335)	(977,056)
Other State Grants	(7,017,173)	-	(7,017,173)	-	(7,017,173)	(5,707,571)
Other Local Grants	(2,277,348)	(166,390)	(2,443,738)	-	(2,443,738)	(2,165,553)
Total Scholarship Allowances and Discounts	(80,742,051)	(2,635,426)	(83,377,477)	-	(83,377,477)	(68,986,579)
Total Net Tuition and Fees	84,534,928	(2,635,426)	81,899,502	1,840,573	83,740,075	79,288,412
Other Operating Revenues:						
Federal Grants and Contracts	-	13,991,463	13,991,463	-	13,991,463	16,091,048
State Grants and Contracts	-	12,619,064	12,619,064	-	12,619,064	10,346,196
Local Grants and Contracts	-	162,899	162,899	-	162,899	164,091
Non-Governmental Grants and Contracts	-	3,260,454	3,260,454	-	3,260,454	2,554,496
Sales and Services	651,014	(239,903)	411,111	-	411,111	490,507
Total Other Operating Revenues	651,014	29,793,977	30,444,991	-	30,444,991	29,646,338
Auxiliary Enterprises:						
Bookstore	-	-	-	1,386,056	1,386,056	1,062,262
Rental of Facilities	-	-	-	4,755,825	4,755,825	4,365,607
Total Auxiliary Enterprises	-	-	-	6,141,881	6,141,881	5,427,869
Total Operating Revenues	\$ 85,185,942	\$ 27,158,551	\$ 112,344,493	\$ 7,982,454	\$ 120,326,947	\$ 114,362,619

HOUSTON CITY COLLEGE
SCHEDULE OF OPERATING EXPENSES BY OBJECT
FOR THE YEAR ENDED AUGUST 31, 2025
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2024)

Schedule B

	Operating Expenses				FY 2025 Total	FY 2024 Total
	Salaries and Wages	Benefits State Local		Other Expenses		
Unrestricted Educational Activities						
Instruction	\$ 129,656,336	\$ -	\$ 16,602,251	\$ 5,902,435	\$ 152,161,022	\$ 131,652,149
Public Service	742,155	-	95,032	2,979,752	3,816,939	4,400,642
Academic Support	28,001,595	-	2,977,059	6,823,144	37,801,798	32,735,810
Student Services	31,796,842	-	3,911,379	2,987,845	38,696,066	36,148,020
Institutional Support	54,401,125	-	7,734,603	35,471,641	97,607,369	82,907,823
Operation and Maintenance of Plant	3,107,623	-	397,925	36,236,840	39,742,388	38,297,627
Total Unrestricted Educational Activities	247,705,676	-	31,718,249	90,401,657	369,825,582	326,142,071
Restricted Educational Activities						
Instruction	786,211	14,129,245	91,643	1,413,349	16,420,448	15,034,735
Public Service	4,054,673	-	638,182	1,391,119	6,083,974	6,579,147
Academic Support	684,031	2,533,608	124,759	1,090,475	4,432,873	4,117,432
Student Services	3,442,343	3,328,755	143,302	182,978	7,097,378	6,374,102
Institutional Support	2,579	6,582,517	-	131,666	6,716,762	8,811,909
Operation and Maintenance of Plant	-	-	-	2,478	2,478	-
Scholarship and Fellowship	-	-	-	83,709,021	83,709,021	65,287,587
Total Restricted Educational Activities	8,969,837	26,574,125	997,886	87,921,086	124,462,934	106,204,912
Total Educational Activities	256,675,513	26,574,125	32,716,135	178,322,743	494,288,516	432,346,983
Auxiliary Enterprises	941,640	-	170,292	5,946,306	7,058,238	6,051,022
Depreciation - Buildings	-	-	-	26,321,185	26,321,185	26,096,053
Depreciation - Equipment	-	-	-	14,944,342	14,944,342	14,358,779
Depreciation - Library Books	-	-	-	293,020	293,020	305,218
Total Operating Expenses	\$ 257,617,153	\$ 26,574,125	\$ 32,886,427	\$ 225,827,596	\$ 542,905,301	\$ 479,158,055
					(Exhibit 2)	(Exhibit 2)

(Exhibit 2)

(Exhibit 2)

HOUSTON CITY COLLEGE
SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2025
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2024)

	Unrestricted	Restricted	Auxiliary Enterprises	FY 2025 Total	Schedule C FY 2024 Total
NON-OPERATING REVENUES:					
State Appropriations:					
Educational and General State Support	\$ 68,701,415	\$ -	\$ -	\$ 68,701,415	\$ 63,858,354
State Group Insurance	-	13,555,140	-	13,555,140	13,555,140
State Retirement Matching	8,187	13,018,917	-	13,027,104	12,245,153
Other State Appropriations	150,224	-	-	150,224	251,329
Total State Appropriations	68,859,826	26,574,057	-	95,433,883	89,909,976
Maintenance Ad Valorem Taxes	223,625,501	-	-	223,625,501	207,936,451
Debt Service Ad Valorem Taxes	-	41,353,524	-	41,353,524	38,465,794
Gifts	-	2,849,086	-	2,849,086	2,354,110
Interest Income, Leasing	-	-	609,165	609,165	647,724
Investment Income, Net	21,775,539	-	-	21,775,539	23,833,684
Federal revenue, non-operating	-	126,296,494	-	126,296,494	99,352,962
FAST State Reimbursement	5,755,570	-	-	5,755,570	4,448,124
Other Non-operating Revenue	3,936,110	-	38,474	3,974,584	3,439,396
Total Non-operating Revenues	323,952,546	197,073,161	647,639	521,673,346	470,388,221
NON-OPERATING EXPENSES:					
Interest on Capital-Related Debt	(11,695,258)	-	-	(11,695,258)	(13,670,823)
Interest Expense -SBITA	(338,375)	-	-	(338,375)	(176,298)
Other Non-operating Expenses	(12,926,845)	-	-	(12,926,845)	(13,305,801)
Total Non-operating Expenses	(24,960,478)	-	-	(24,960,478)	(27,152,922)
NET NON-OPERATING REVENUES	\$ 298,992,068	\$ 197,073,161	\$ 647,639	\$ 496,712,868	\$ 443,235,299
				Exhibit 2	Exhibit 2

HOUSTON CITY COLLEGE
SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY
FOR THE YEAR ENDED AUGUST 31, 2025
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2024)

Schedule D

	Detail by Source					Available for Current Operations	
	Unrestricted	Restricted Expendable	Non-Expendable	Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
Current:							
Unrestricted	\$ 43,680,551	\$ -	\$ -	\$ -	\$ 43,680,551	\$ 43,680,551	\$ -
Auxiliary enterprises	23,605,095	-	-	-	\$ 23,605,095	23,605,095	-
Loan	-	4,256,383	-	-	\$ 4,256,383	-	4,256,383
Endowment:							
Plant:							
Unexpended	113,220,400	-	-	-	\$ 113,220,400	113,220,400	-
Debt Service	-	20,049,078	-	-	\$ 20,049,078	-	20,049,078
Investment in Plant	-	-	-	603,644,034	\$ 603,644,034	-	603,644,034
Total Net Position August 31, 2025	180,506,045	24,305,461	-	603,644,034	808,455,540	180,506,046	627,949,495
Total Net Position August 31, 2024	152,956,611	22,246,344	-	559,118,070	Exhibit 1 734,321,025	152,956,611	581,364,414
Net Increase(Decrease) in Net Position	Exhibit 1 \$ 27,549,434	Exhibit 1 \$ 2,059,118	Exhibit 1 \$ -	Exhibit 2 \$ 44,525,964	Exhibit 2 \$ 74,134,515	\$ 27,549,434	\$ 46,585,081

**STATISTICAL SECTION
(Unaudited)**

HOUSTON CITY COLLEGE STATISTICAL SECTION NARRATIVE

Statistical Section

This part of HCC's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about HCC's overall financial health.

Financial Trends

This segment contains trend information to help the reader understand how HCC's financial performance and well-being have changed over time.

Revenue Capacity

This segment includes information to help the reader assess HCC's most significant local revenue source, the property tax.

Debt Capacity

This segment presents information to help the reader assess the affordability of HCC's current levels of outstanding debt and HCC's ability to issue additional debt in the future.

Economic & Demographic Information

This segment depicts demographic and economic indicators to help the reader understand the environment within which HCC's financial activities take place.

Operating information

This segment displays service and capital asset data to help the reader understand how the information in HCC's financial report relates to the services HCC provides and the activities it performs.

Sources: Unless otherwise stated, the information in this section is derived from the annual comprehensive financial reports for the relevant year.

HOUSTON CITY COLLEGE
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Amounts Expressed in Thousands)
(Unaudited)

	Table 1									
	2025	2024	2023	2022	2021	2020	2019	2018*	2017	2016
Net Investment in Capital Assets	\$ 603,644	\$ 559,118	\$ 533,714	\$ 457,080	\$ 453,843	\$ 417,973	\$ 383,077	\$ 363,332	\$ 374,111	\$ 318,344
Restricted - Expendable	24,305	22,246	21,505	18,070	17,859	13,829	13,041	12,121	18,555	14,035
Unrestricted	<u>180,506</u>	<u>152,957</u>	<u>100,662</u>	<u>101,011</u>	<u>31,055</u>	<u>(156)</u>	<u>(3,094)</u>	<u>14,669</u>	<u>73,796</u>	<u>82,082</u>
Total Primary Government, Net Position	<u>\$ 808,455</u>	<u>\$ 734,321</u>	<u>\$ 655,881</u>	<u>\$ 576,161</u>	<u>\$ 502,757</u>	<u>\$ 431,646</u>	<u>\$ 393,024</u>	<u>\$ 390,122</u>	<u>\$ 466,462</u>	<u>\$ 414,461</u>
Net Increase/(Decrease) in Net Position	<u>\$ 74,134</u>	<u>\$ 78,440</u>	<u>\$ 79,720</u>	<u>\$ 73,404</u>	<u>\$ 71,111</u>	<u>\$ 38,622</u>	<u>\$ 2,902</u>	<u>\$ (76,340)</u>	<u>\$ 52,001</u>	<u>\$ (9,434)</u>

* GASB 75 was implemented in FY 2018

HOUSTON CITY COLLEGE
REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Unaudited)

Table 2

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
OPERATING REVENUES:										
Tuition and Fees, Net of Discounts	\$ 83,740,075	\$ 79,288,412	\$ 76,896,724	\$ 72,185,618	\$ 73,408,942	\$ 83,937,951	\$ 76,925,390	\$ 75,875,184	\$ 78,928,147	\$ 79,625,900
Federal Grants and Contracts	13,991,463	16,091,048	56,969,081	99,559,423	81,993,609	29,265,821	13,664,066	14,618,765	14,092,252	13,844,635
State Grants and Contracts	12,619,064	10,346,196	4,504,303	4,565,690	4,217,934	4,386,846	5,257,785	7,241,239	6,848,608	6,790,982
Local Grants and Contracts	162,899	164,091	141,645	148,641	146,382	172,245	88,039	97,715	148,327	157,041
Non-governmental Grants and Contracts	3,260,454	2,554,496	2,602,845	2,337,540	1,877,439	1,389,647	1,448,396	1,350,083	1,680,496	3,060,584
Sales and Services of Educational Activities	411,111	490,507	754,350	340,091	1,382,680	2,319,427	447,777	281,262	333,874	273,441
Auxiliary Enterprises	6,141,881	5,427,869	5,388,463	5,394,600	4,152,009	9,978,940	10,769,661	9,951,241	12,100,510	10,141,084
Total Operating Revenues	120,326,947	114,362,619	147,257,411	184,531,603	167,178,995	131,450,878	108,601,114	109,415,489	114,132,214	113,893,667
NON-OPERATING REVENUES:										
State Appropriations	95,433,883	89,909,976	84,079,046	81,378,788	91,060,790	91,605,974	86,745,264	83,382,430	84,194,227	83,877,620
Ad Valorem Taxes	264,979,025	246,402,245	236,655,064	220,595,814	219,791,935	208,006,818	199,368,187	197,010,814	191,684,394	179,907,211
Gifts	2,849,086	2,354,110	2,107,580	1,633,588	1,678,404	1,853,254	2,351,677	2,009,979	1,875,561	2,025,562
Interest Income, Leasing	609,165	647,724	846,332	872,457	812,169	-	-	-	-	-
Investment Income, net	21,775,539	23,833,684	17,529,307	1,066,597	168,555	3,961,565	7,155,919	4,221,227	3,557,445	2,752,692
Federal revenue, non-operating	126,296,494	99,352,962	84,379,416	79,986,451	73,833,229	88,136,837	87,471,633	88,168,184	80,531,464	86,117,577
FAST State Reimbursement	5,755,570	4,448,124	-	-	-	-	-	-	-	-
HEERF Revenue Recovery	-	-	1,190,604	14,271,434	28,588,739	-	-	-	-	-
Gain on Sale of Capital Assets	-	-	-	10,727,356	-	-	-	-	-	-
Other Non-operating Revenues	3,974,584	3,439,396	4,342,728	2,552,407	9,826,640	5,994,663	2,959,612	3,233,099	7,157,578	2,848,147
Total Non-operating Revenues	521,673,346	470,388,221	431,130,077	413,084,892	425,760,460	399,559,111	386,052,292	378,025,733	369,000,669	357,528,809
TOTAL REVENUES	\$ 642,000,293	\$ 584,750,839	\$ 578,387,488	\$ 597,616,495	\$ 592,939,455	\$ 531,009,990	\$ 494,653,406	\$ 487,441,222	\$ 483,132,883	\$ 471,422,476

Note: Nursing Shortage Reduction revenue was classified as operating revenue versus non-operating revenue in FY 2017. All prior periods were adjusted to reflect this change.

HOUSTON CITY COLLEGE
REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Unaudited)

Table 2

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
OPERATING REVENUES:										
Tuition and Fees, Net of Discounts	13.04%	13.56%	13.30%	12.08%	12.38%	15.81%	15.55%	15.57%	16.34%	16.89%
Federal Grants and Contracts	2.18%	2.75%	9.85%	16.66%	13.83%	5.51%	2.76%	3.00%	2.92%	2.94%
State Grants and Contracts	1.97%	1.77%	0.78%	0.76%	0.71%	0.83%	1.06%	1.49%	1.42%	1.44%
Local Grants and Contracts	0.03%	0.03%	0.02%	0.02%	0.02%	0.03%	0.02%	0.02%	0.03%	0.03%
Non-governmental Grants and Contracts	0.51%	0.44%	0.45%	0.39%	0.32%	0.26%	0.29%	0.28%	0.35%	0.65%
Sales and Services of Educational Activities	0.06%	0.08%	0.13%	0.06%	0.23%	0.44%	0.09%	0.06%	0.07%	0.06%
Auxiliary Enterprises	0.96%	0.93%	0.93%	0.90%	0.70%	1.88%	2.18%	2.04%	2.50%	2.15%
Total Operating Revenues	18.74%	19.56%	25.46%	30.88%	28.19%	24.75%	21.95%	22.45%	23.62%	24.16%
NON-OPERATING REVENUES:										
State Appropriations	14.87%	15.38%	14.54%	13.62%	15.36%	17.25%	17.54%	17.11%	17.43%	17.79%
Ad Valorem Taxes	41.27%	42.14%	40.92%	36.91%	37.07%	39.17%	40.30%	40.42%	39.68%	38.16%
Gifts	0.44%	0.40%	0.36%	0.27%	0.28%	0.35%	0.48%	0.41%	0.39%	0.43%
Interest Income, Leasing	0.09%	0.11%	0.15%	0.15%	0.14%	0.00%	0.00%	0.00%	0.00%	0.00%
Investment Income, net	3.39%	4.08%	3.03%	0.18%	0.03%	0.75%	1.45%	0.87%	0.74%	0.58%
Federal revenue, non-operating	19.67%	16.99%	14.59%	13.38%	12.45%	16.60%	17.68%	18.09%	16.67%	18.27%
FAST State Reimbursement	0.90%	0.76%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
HEERF Revenue Recovery	0.00%	0.00%	0.21%	2.39%	4.82%	0.00%	0.00%	0.00%	0.00%	0.00%
Gain on Sale of Capital Assets	0.00%	0.00%	0.00%	1.80%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other Non-operating Revenues	0.62%	0.59%	0.75%	0.43%	1.66%	1.13%	0.60%	0.66%	1.48%	0.60%
Total Non-operating Revenues	81.26%	80.44%	74.54%	69.12%	71.81%	75.25%	78.05%	77.55%	76.38%	75.84%
TOTAL REVENUES	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Note: Nursing Shortage Reduction revenue was classified as operating revenue versus non-operating revenue in FY 2017. All prior periods were adjusted to reflect this change.

HOUSTON CITY COLLEGE
PROGRAM EXPENSES BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)

Table 3

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
OPERATING EXPENSES:										
Instruction	\$ 168,581,470	\$ 146,686,884	\$ 138,634,181	\$ 131,404,037	\$ 140,494,947	\$ 148,406,567	\$ 147,989,245	\$ 137,284,602	\$ 131,976,183	\$ 123,860,246
Public Service	9,900,913	10,979,789	12,058,249	10,292,810	9,934,957	8,143,057	9,311,660	10,193,891	11,251,480	10,885,467
Academic Support	42,234,671	36,853,242	36,081,978	34,235,810	34,626,967	35,588,733	35,805,979	34,548,211	33,437,021	32,357,317
Student Services	45,793,444	42,522,122	40,920,575	38,522,536	38,241,565	38,689,466	37,882,929	35,658,710	32,769,639	30,877,171
Institutional Support	104,324,131	91,719,732	119,012,697	95,623,924	118,964,588	90,478,900	86,426,838	77,856,244	76,337,702	69,312,047
Operation and Maintenance of Plant	39,744,866	38,297,627	34,372,631	33,120,534	34,682,604	29,472,178	31,324,884	29,844,750	27,636,411	27,396,317
Scholarships and Fellowships	83,709,021	65,287,587	49,427,370	110,326,428	69,954,912	70,043,436	59,527,291	62,863,907	55,435,891	58,153,241
Auxiliary Enterprises	7,058,238	6,051,022	5,536,194	5,329,748	6,606,770	9,760,454	10,272,450	11,571,893	11,064,979	11,839,737
Depreciation	41,558,547	40,760,050	38,110,875	38,086,231	33,296,173	33,801,477	33,535,408	26,031,782	24,303,365	22,724,776
Total Operating Expenses	542,905,301	479,158,055	474,154,751	496,942,058	486,803,482	464,384,269	452,076,684	425,853,990	404,212,671	387,406,319
NON-OPERATING EXPENSES:										
Interest on Capital Related Debt	11,695,258	13,670,823	16,600,660	17,908,112	21,963,034	28,456,822	28,956,205	30,411,867	17,991,413	19,535,342
Interest - SBITA	338,375	176,298	102,840	219,825	-	-	-	-	-	-
Loss on Sale of Fixed Assets	-	-	-	-	-	-	-	-	-	5,517,511
Hurricane Expense, Net	-	-	-	-	-	-	-	184,313	-	-
Other Non-operating Expenses	12,926,845	13,305,801	7,809,688	9,141,602	13,062,105	9,847,436	10,718,448	8,395,813	8,927,703	8,920,785
Total Non-operating Expenses	24,960,478	27,152,922	24,513,188	27,269,539	35,025,139	38,304,258	39,674,653	38,991,993	26,919,116	33,973,638
Total Expenses	<u>\$ 567,865,779</u>	<u>\$ 506,310,977</u>	<u>\$ 498,667,939</u>	<u>\$ 524,211,597</u>	<u>\$ 521,828,621</u>	<u>\$ 502,688,527</u>	<u>\$ 491,751,338</u>	<u>\$ 464,845,983</u>	<u>\$ 431,131,787</u>	<u>\$ 421,379,957</u>

Note: Property tax expense was classified as non-operating expense versus operating expense in FY 2017. All prior periods were adjusted to reflect this change.

HOUSTON CITY COLLEGE
PROGRAM EXPENSES BY FUNCTION - CONTINUED
LAST TEN FISCAL YEARS
(Unaudited)

Table 3

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
OPERATING EXPENSES:										
Instruction	29.58%	28.97%	27.80%	25.07%	26.92%	29.52%	30.09%	29.53%	30.61%	29.39%
Public Service	1.75%	2.17%	2.42%	1.96%	1.90%	1.62%	1.89%	2.19%	2.61%	2.58%
Academic Support	7.43%	7.28%	7.24%	6.53%	6.64%	7.08%	7.28%	7.43%	7.76%	7.68%
Student Services	8.04%	8.40%	8.21%	7.35%	7.33%	7.70%	7.70%	7.67%	7.60%	7.33%
Institutional Support	18.34%	18.12%	23.87%	18.24%	22.80%	18.00%	17.58%	16.75%	17.71%	16.45%
Operation and Maintenance of Plant	7.03%	7.56%	6.89%	6.32%	6.65%	5.86%	6.37%	6.42%	6.41%	6.50%
Scholarships and Fellowships	14.81%	12.89%	9.91%	21.05%	13.41%	13.93%	12.11%	13.52%	12.86%	13.80%
Auxiliary Enterprises	1.25%	1.20%	1.11%	1.02%	1.27%	1.94%	2.09%	2.49%	2.57%	2.81%
Depreciation	7.35%	8.05%	7.64%	7.27%	6.38%	6.72%	6.82%	5.60%	5.64%	5.39%
Total Operating Expenses	95.58%	94.64%	95.08%	94.80%	93.29%	92.38%	91.93%	91.61%	93.76%	91.94%
NON-OPERATING EXPENSES:										
Interest on Capital Related Debt	2.07%	2.70%	3.33%	3.42%	4.21%	5.66%	5.89%	6.54%	4.17%	4.64%
Interest - SBITA	0.06%	0.03%	0.02%	0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Loss on Sale of Fixed Assets	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.31%
Hurricane Ike Expense, Net	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.04%	0.00%	0.00%
Other Non-operating Expenses	2.29%	2.63%	1.57%	1.74%	2.50%	1.96%	2.18%	1.81%	2.07%	2.12%
Total Non-operating Expenses	4.42%	5.36%	4.92%	5.20%	6.71%	7.62%	8.07%	8.39%	6.24%	8.06%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Note: Property tax expense was classified as non-operating expense versus operating expense in FY 2017. All prior periods were adjusted to reflect this change.

HOUSTON CITY COLLEGE
TUITION AND FEES
LAST TEN ACADEMIC YEARS
(Unaudited)

Table 4

SEMESTER CREDIT HOUR (SCH)										
IN-DISTRICT										
Academic Year	Semester	Tuition	General Fee	Technology Fee	Student Activity Services Fee	Recreation Fee	Cost for 12 SCH	Increase from Prior Semester		
2024-2025	Fall	\$ 396	\$ 306	\$ 300.00	\$ 12	\$ 6	\$ 1,020.00	0.0%		
2023-2024	Fall	396	306	300.00	12	6	1,020.00	0.0%		
2022-2023	Fall	396	306	300.00	12	6	1,020.00	0.0%		
2021-2022	Fall	396	306	300.00	12	6	1,020.00	0.0%		
2020-2021	Fall	396	306	300.00	12	6	1,020.00	10.4%		
2019-2020	Fall	396	306	204.00	12	6	924.00	6.9%		
2018-2019	Spring	372	306	168.00	12	6	864.00	5.9%		
2018-2019	Fall	372	306	120.00	12	6	816.00	0.0%		
2017-2018	Fall	372	306	120.00	12	6	816.00	0.0%		
2016-2017	Fall	372	306	120.00	12	6	816.00	0.0%		
2015-2016	Fall	372	306	120.00	12	6	816.00	0.1%		

Note: Recreation Fee previously known as Athletic Fee.

In addition, students may incur course related fees such as laboratory fees, testing fees, distance education fees and certification fees.

HOUSTON CITY COLLEGE
TUITION AND FEES - CONTINUED
LAST TEN ACADEMIC YEARS
(Unaudited)

Table 4

Academic Year	Semester	SEMESTER CREDIT HOUR (SCH)						Cost for 12 SCH	Increase from Prior Semester
		OUT-OF-DISTRICT							
		Tuition	Out-of-District General Fee	Technology Fee	Student Activity Services Fee	Recreation Fee			
2024-2025	Fall	\$ 1,452	\$ 402	\$ 300.00	\$ 12	\$ 6	\$ 2,172.00	0.0%	
2023-2024	Fall	1,452	402	300.00	12	6	2,172.00	0.0%	
2022-2023	Fall	1,452	402	300.00	12	6	2,172.00	0.0%	
2021-2022	Fall	1,452	402	300.00	12	6	2,172.00	0.0%	
2020-2021	Fall	1,452	402	300.00	12	6	2,172.00	4.6%	
2019-2020	Fall	1,452	402	204.00	12	6	2,076.00	8.1%	
2018-2019	Spring	1,332	402	168.00	12	6	1,920.00	14.3%	
2018-2019	Fall	1,140	402	120.00	12	6	1,680.00	0.0%	
2017-2018	Fall	1,140	402	120.00	12	6	1,680.00	0.0%	
2016-2017	Fall	1,140	402	120.00	12	6	1,680.00	0.0%	
2015-2016	Fall	1,140	402	120.00	12	6	1,680.00	0.1%	

Note: Recreation Fee previously known as Athletic Fee.

In addition, students may incur course related fees such as laboratory fees, testing fees, distance education fees and certification fees.

HOUSTON CITY COLLEGE
TUITION AND FEES - CONTINUED
LAST TEN ACADEMIC YEARS
(Unaudited)

Table 4

Academic Year	Semester	SEMESTER CREDIT HOUR (SCH)							Increase from Prior Semester
		OUT-OF-STATE/INTERNATIONAL							
		Tuition	Out-of-State General Fee	Technology Fee	Student Activity Services Fee	Recreation Fee	Cost for 12 SCH		
2024-2025	Fall	\$ 1,812	\$ 600	\$ 300.00	\$ 12	\$ 6	\$ 2,730.00	0.0%	
2023-2024	Fall	1,812	600	300.00	12	6	2,730.00	0.0%	
2022-2023	Fall	1,812	600	300.00	12	6	2,730.00	0.0%	
2021-2022	Fall	1,812	600	300.00	12	6	2,730.00	0.0%	
2020-2021	Fall	1,812	600	300.00	12	6	2,730.00	3.6%	
2019-2020	Fall	1,812	600	204.00	12	6	2,634.00	11.7%	
2018-2019	Spring	1,572	600	168.00	12	6	2,358.00	25.6%	
2018-2019	Fall	1,140	600	120.00	12	6	1,878.00	0.0%	
2017-2018	Fall	1,140	600	120.00	12	6	1,878.00	0.0%	
2016-2017	Fall	1,140	600	120.00	12	6	1,878.00	0.0%	
2015-2016	Fall	1,140	600	120.00	12	6	1,878.00	0.1%	

Note: Recreation Fee previously known as Athletic Fee.

In addition, students may incur course related fees such as laboratory fees, testing fees, distance education fees and certification fees.

Source: HCC Tuition & Fees Online

HOUSTON CITY COLLEGE
 ASSESSED VALUE AND TAXABLE ASSESSED VALUE OF PROPERTY
 LAST TEN FISCAL YEARS
 (Unaudited)

Table 5

Fiscal Year	Assessed Valuation of Property	Less: Exemptions & Abatements	Taxable Assessed Value (TAV)	Ratio of Taxable Assessed Value to Assessed Value	Tax Rate		
					Maintenance & Operations	Debt Service	Total Tax Rate (a)
2025	\$ 361,429,974,371	\$ 78,843,843,533	\$ 282,586,130,838	78.19%	\$ 0.081632	\$ 0.014551	\$ 0.096183
2024	353,027,013,568	76,236,745,022	276,790,268,546	78.40%	0.077451	0.014780	0.092231
2023	318,919,245,660	65,462,454,017	253,456,791,643	79.47%	0.079192	0.016377	0.095569
2022	288,625,579,651	59,934,940,509	228,690,639,142	79.23%	0.081340	0.017752	0.099092
2021	282,365,060,176	57,690,076,561	224,674,983,615	79.57%	0.079205	0.021058	0.100263
2020	266,413,595,740	57,636,949,886	208,776,645,854	78.37%	0.079205	0.021058	0.100263
2019	251,225,945,441	47,954,489,698	203,271,455,743	80.91%	0.076751	0.023512	0.100263
2018	242,829,176,276	42,433,914,452	200,395,261,824	82.53%	0.076652	0.023611	0.100263
2017	238,048,215,381	44,312,008,221	193,736,207,160	81.39%	0.075277	0.024986	0.100263
2016	221,458,121,257	42,287,303,553	179,170,817,704	80.91%	0.075631	0.026311	0.101942

Source: Local Appraisal Districts

Notes: Property is assessed at full market value.

(a) Total Tax Rate is per \$100 Taxable Assessed Valuation

HOUSTON CITY COLLEGE
GENERAL APPROPRIATIONS ACT¹ BEFORE CONTACT HOUR ADJUSTMENTS
LAST TEN FISCAL YEARS
(Unaudited)

Table 6a

Appropriation Funding Elements (Allocated)	2025	2024*	2023	2022	2021	2020	2019	2018	2017	2016
State Appropriation Contact Hour Funding (CH)	\$ -	\$ -	\$ 51,116,054	\$ 51,116,054	\$ 58,494,341	\$ 58,499,161	\$ 60,710,669	\$ 60,712,276	\$ 63,177,743	\$ 63,177,743
State Appropriation Student Success Points (SSP)	-	-	10,603,256	10,603,257	8,170,481	8,170,482	6,741,962	6,741,962	6,484,471	6,484,471
State Appropriation Core Operations (CO)	-	-	680,406	680,406	680,406	680,406	680,406	680,406	500,000	500,000
State Appropriation Bachelor of Applied Technology (I	-	-	-	-	-	-	-	-	-	-
State Appropriation - Performance Tier	67,513,915	62,670,854	-	-	-	-	-	-	-	-
State Appropriation Non-Formula Items	1,187,500	1,187,500	1,187,500	1,187,500	1,250,000	1,250,000	-	-	-	-
Total	\$ 68,701,415	\$ 63,858,354	\$ 63,587,216	\$ 63,587,217	\$ 68,595,228	\$ 68,600,049	\$ 68,133,037	\$ 68,134,644	\$ 70,162,214	\$ 70,162,214

¹ General Appropriations Act, SB 1, 85th Texas Legislature, Section 1 (page III-209) - Informational Listing of Appropriated Funds.

Note: The requirements for Tables 6 were changed by the THECB in fiscal year 2018.

Source: THECB - Ten Pay Schedule for FY 2023 thru FY 2016.

*FY Year Formula Funding Changed Methodology

HOUSTON CITY COLLEGE
STATE APPROPRIATION PER FTSE
LAST TEN FISCAL YEARS
(Unaudited)

Table 6b

Fiscal Year	State Appropriation (Unrestricted)	FTSE ¹	State Appropriation per FTSE
	From Sch C*		
2025	\$ 68,701,415	36,354	\$ 1,890
2024**	63,858,354	32,947	1,938
2023	63,587,216	30,859	2,061
2022	63,587,217	29,763	2,136
2021	68,595,228	30,543	2,246
2020	68,600,049	36,104	1,900
2019	68,133,037	36,242	1,880
2018	68,134,644	37,551	1,814
2017	70,276,780	38,065	1,846
2016	70,162,218	38,518	1,822

¹ In order to provide consistency with other reporting, HCC has elected to adopt the THECB standard methodology for calculating FTSE that is used for benchmarking and HCC's internal KPI's (Key Performance Indicator). Prior year calculations have been restated to reflect this change. The FTSE ratios calculated and published by THECB are based on CBM submissions and are calculated as follows: Fiscal Year FTSE (Full-Time Student Equivalent) is equal to the sum of state funded (Fall SCH [Semester Credit Hours] + Spring SCH + Summer SCH for the current fiscal year, or 30 SCH) plus state funded continuing education (Fall CH (Contact Hours) + Spring CH + Summer CH for the current fiscal year, or 900 CH).

Source: Schedule C (AFR) and HCC Certified Reports (CBM004 & CBM00C).

* Actual Received

**FY Year Formula Funding Changed Methodology

HOUSTON CITY COLLEGE
STATE APPROPRIATION PER FUNDED CONTACT HOUR (CH)
CONTACT HOUR PORTION ONLY OF STATE APPROPRIATION
LAST TEN FISCAL YEARS
(Unaudited)

Table 6c

Fiscal Year	State Appropriation (Unrestricted) (1)	Academic CH	Technical CH	Continuing Education CH	Total Funded CH	State Appropriation per Funded CH
2025	\$ 67,513,915	14,400,544	5,549,104	1,782,811	21,732,459	\$ 3.11
2024*	62,670,854	13,447,984	4,624,112	1,579,151	19,651,247	3.19
2023	51,116,054	12,410,352	4,493,008	1,547,669	18,451,029	2.77
2022	51,116,054	11,847,072	4,480,976	1,519,066	17,847,114	2.86
2021	58,494,341	12,276,332	4,397,790	1,303,587	17,977,709	3.25
2020	58,499,161	14,734,611	4,941,920	1,715,532	21,392,063	2.73
2019	60,710,669	14,735,065	4,961,424	1,843,055	21,539,544	2.82
2018	60,712,276	15,688,714	4,844,368	2,019,420	22,552,502	2.69
2017	63,177,743	15,443,656	5,298,512	2,296,406	23,038,574	2.74
2016	63,177,743	15,527,528	5,762,048	2,146,857	23,436,433	2.70

¹ State funded contact hour appropriation as it appears in schedule 6a.

Note: State funded contact hours for Fall, Spring, and Summer of the current fiscal year.

*Formula funding methodology changed beginning in Fiscal Year 2024.

Source: HCC Certified Reports (CBM004 and CBM00C).

HOUSTON CITY COLLEGE
STATE APPROPRIATION PER STUDENT SUCCESS POINT (SSP) - ANNUALIZED
LAST TEN FISCAL YEARS
(Unaudited)

Table 6d

Fiscal Year	SSP State Appropriation (Unrestricted) ¹	3-Year Weighted Average SSP	Annual Appropriation per SSP
2025	NA	NA	NA
2024*	NA	NA	NA
2023	\$ 10,603,256	85,542	123.95
2022	10,603,257	85,542	123.95
2021	8,170,481	80,683	101.27
2020	8,170,482	80,683	101.27
2019	6,741,962	78,597	85.78
2018	6,741,962	78,597	85.78
2017	6,484,471	75,145	86.29
2016	6,484,471	75,145	86.29

¹ State funded student success point appropriation as it appears in table 6a.

Source: Obtained from THECB Ten-Pay Schedules.

*Beginning FY 2024 Formula Funding Changed Methodology - Not applicable

HOUSTON CITY COLLEGE
STUDENT SUCCESS POINTS (SSP)
LAST TEN FISCAL YEARS
(Unaudited)

Table 6c

Student Success Point (Weighted) Elements	2022***	2021	2020	2019	2018	2017	2016	2015	2014	2013
Math Readiness	NA	2,516	2,165	3,529	4,928	3,255	3,250	2,738	2,376	2,395
Read Readiness	NA	1,430	1,014	1,564	1,775	1,316	1,384	983	1,115	1,579
Write Readiness	NA	1,096	631	1,359	2,161	1,258	1,295	1,087	941	984
Students Who Pass FCL Math Course	NA	13,140	10,536	15,521	7,815	7,795	7,968	9,383	8,599	7,748
Students Who Pass FCL Read Course	NA	13,617	8,082	14,531	8,108	8,127	7,452	7,279	7,038	7,598
Students Who Pass FCL Write Course	NA	13,167	6,524	13,776	6,431	6,514	6,311	6,355	6,452	6,540
Students Who Complete 15 SCH	NA	8,137	16,208	7,730	15,709	15,574	15,823	16,241	15,669	15,326
Students Who Complete 30 SCH	NA	6,697	15,006	8,321	10,130	9,902	10,142	10,130	9,696	9,566
Student Transfers to a 4-Yr Inst	NA	5,761	12,729	7,059	8,452	8,700	8,996	8,962	8,736	9,044
Degrees, CCCs, or Certs (Undup)	NA	4,576	7,903	8,120	14,392	14,486	15,466	15,504	11,690	11,480
Degrees or Certs in Critical Fields	NA	7,116	3,751	3,780	2,176	2,385	2,498	2,178	2,124	2,174
Total Annual Student Success Points	-	77,253	84,548 **	85,289 *	82,075	79,312	80,583	80,840	74,436	74,433

Note: These are the student success points that are the basis of the 3-year rolling average for the calculation of the biennium allocation of state funding for student success. For instance fiscal years 2016, 2015, and 2014 form the basis for the weighted 3-year rolling average that is used for the allocation of state funds for the 2018-2019 biennium.

Source: Obtained from THECB Ten-Pay Schedules, Accountability System for FY 2017, FY 2018, FY 2019, FY 2020.

* Total matches THECB dashboard report. Actual total is 85,290

** Total matches THECB dashboard report. Actual total is 84,549

***Note: Data for 2022 has not been received. New funding model - not applicable to HCC

HOUSTON CITY COLLEGE
PRINCIPAL TAXPAYERS
(Taxable Value)
LAST TEN FISCAL YEARS
(Unaudited)

Table 7

Taxpayer	Industry	Taxable Assessed Value (TAV) by Tax Year									
		2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Centerpoint Energy Inc	Utility	\$ 2,766,849,757	\$ 2,500,936,218	\$ 2,174,367,422	\$ 2,088,819,490	\$ 1,877,084,067	\$ 1,801,934,275	\$ 1,737,031,171	\$ 989,802,949	\$ 1,644,000,381	\$ 1,626,152,344
BSREP 1HC-4HC*	Real Estate	625,161,643	652,395,173	693,724,836	708,762,733	717,795,514	781,660,663	786,877,979	797,862,507	737,834,871	986,583,880
Chevron Chemical Co	Oil & Gas	753,487,843	801,467,428	879,680,119	883,370,430	902,778,212	961,125,865	962,752,120	1,017,824,620	1,141,470,547	1,179,883,292
Valero Energy Corp	Oil & Gas	601,914,009	653,647,861	638,490,695	576,640,576	480,639,977	607,940,208	695,743,538	-	721,980,186	591,345,920
CAMDEN Trust	Real Estate	514,891,579	529,649,326	531,831,555	509,636,435	-	-	-	-	-	-
HG Galleria I II III LP	Real Estate	768,919,371	647,525,126	628,131,691	677,247,963	690,812,792	716,107,566	619,381,877	635,939,145	679,040,894	687,114,648
Block 58 LLC	Real Estate	543,403,030	-	-	-	-	-	-	-	-	-
1000 Louisiana LP	Real Estate	-	-	-	-	-	-	-	476,007,332	516,382,503	551,072,650
Texas Tower LTD	Real Estate	-	-	-	-	-	-	-	483,158,521	501,098,531	547,808,760
Four Oaks Place Operating LP	Real Estate	583,933,023	618,007,544	648,035,552	621,258,853	-	-	-	-	-	-
BUSYCON Properties LLC	Real Estate	-	-	-	-	-	-	480,421,218	484,510,539	512,787,835	-
PKY City West 1-4, POC, San*	Real Estate	-	-	-	692,204,372	698,162,792	764,244,535	843,913,327	852,336,214	715,139,095	1,188,888,678
One, Two & Three Allen Center CO LLC	Real Estate	608,421,363	649,199,743	691,831,860	698,342,101	718,398,526	790,939,684	788,054,141	785,887,656	857,457,136	924,339,870
Flint Hill Resources Houston	Oil & Gas	-	-	-	-	-	-	-	459,371,730	-	-
GWP (Greenway Plaza)	Real Estate	-	559,968,115	688,799,498	700,476,928	701,312,740	855,562,137	820,850,180	-	-	-
TPC Group LLC	Oil & Gas	-	-	517,448,108	-	-	-	-	-	-	-
Finger FSC	Real Estate	-	-	-	-	557,862,777	581,916,015	510,735,740	-	-	-
Southwestern Bell & ATT Mobility	Utility	-	-	-	-	-	-	-	-	-	553,335,269
HCG Block 69 LLC	Industrial Services	513,556,842	520,694,398	-	-	506,176,493	503,452,103	-	-	-	-
Totals		\$ 8,280,538,460	\$ 8,133,490,932	\$ 8,092,341,336	\$ 8,156,759,881	\$ 7,851,023,890	\$ 8,364,883,051	\$ 8,245,761,291	\$ 6,982,701,213	\$ 8,027,191,979	\$ 8,836,525,311
Total Taxable Assessed Value		\$ 282,586,130,838	\$ 276,790,268,546	\$ 253,456,791,643	\$ 231,006,626,340	\$ 224,723,075,150	\$ 211,806,878,420	\$ 203,271,455,743	\$ 200,395,261,824	\$ 193,736,207,160	\$ 179,170,817,704

Source: Local County Appraisal District

*Note: In prior years BSREP was Crescent Real Estate and PKY City West was Cousins Greenway & POC.

HOUSTON CITY COLLEGE
PRINCIPAL TAXPAYERS - CONTINUED
(Taxable Value)
LAST TEN FISCAL YEARS
(Unaudited)

Table 7

Taxpayer	Industry	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
% of Taxable Assessed Value (TAV) by Tax Year											
Centerpoint Energy Inc	Utility	0.98%	0.90%	0.86%	0.90%	0.84%	0.85%	0.85%	0.49%	0.85%	0.91%
BSREP IHC-4HC*	Real Estate	0.22%	0.24%	0.27%	0.31%	0.32%	0.37%	0.39%	0.40%	0.38%	0.55%
Chevron Chemical Co	Oil & Gas	0.27%	0.29%	0.35%	0.38%	0.40%	0.45%	0.47%	0.51%	0.59%	0.66%
Valero Energy Corp	Oil & Gas	0.21%	0.24%	0.25%	0.25%	0.21%	0.29%	0.34%	0.00%	0.37%	0.33%
CAMDEN Trust	Real Estate	0.18%	0.19%	0.21%	0.22%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Shell Oil Co	Oil & Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
HG Galleria I II III LP	Real Estate	0.27%	0.23%	0.25%	0.29%	0.31%	0.34%	0.30%	0.32%	0.35%	0.38%
1000 Louisiana LP	Real Estate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.24%	0.27%	0.31%
Texas Tower LTD	Real Estate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.24%	0.26%	0.31%
Four Oaks Place Operating LP	Real Estate	0.21%	0.22%	0.26%	0.27%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
BGHOLDCO LLC	Real Estate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
BUSYCON Properties LLC	Real Estate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.24%	0.24%	0.26%	0.00%
PKY City West 1-4, POC, San*	Real Estate	0.00%	0.00%	0.00%	0.30%	0.31%	0.36%	0.42%	0.43%	0.37%	0.66%
One, Two & Three Allen Center CO LLC	Real Estate	0.22%	0.23%	0.27%	0.30%	0.32%	0.37%	0.39%	0.39%	0.44%	0.52%
Flint Hill Resources Houston	Oil & Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.23%	0.00%	0.00%
GWP (Greenway Plaza)	Real Estate	0.00%	0.20%	0.27%	0.30%	0.31%	0.40%	0.40%	0.00%	0.00%	0.00%
TPC Group LLC	Oil & Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Finger FSC	Real Estate	0.00%	0.00%	0.00%	0.00%	0.25%	0.27%	0.25%	0.00%	0.00%	0.00%
Southwestern Bell & ATT Mobility	Utility	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.31%
HCG Block 69 LLC	Industrial Services	0.18%	0.19%	0.00%	0.00%	0.23%	0.24%	0.00%	0.00%	0.00%	0.00%
Totals		2.93%	2.94%	3.19%	3.53%	3.49%	3.95%	4.06%	3.48%	4.14%	4.93%

Source: Local County Appraisal District

*Note: In prior years BSREP was Crescent Real Estate and PKY City West was Cousins Greenway & POC.

HOUSTON CITY COLLEGE
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN TAX YEARS
(Unaudited)

Table 8

Fiscal Year	Tax Rate Per \$100		Tax Base (Assessed Value)		Total Tax Levy		Collected within the Fiscal Year of the Levy
							Actual Collections per AFR % of Levy
2025	\$	0.096183	\$	282,586,130,838	\$	271,799,818	\$ 263,753,477 97.04%
2024		0.092231		276,790,268,546		255,286,433	244,756,726 95.88%
2023		0.095569		253,456,791,643		251,155,404	235,455,193 93.75%
2022		0.099092		228,690,639,142		229,292,096	220,197,919 96.03%
2021		0.100263		224,674,983,615		225,265,879	219,083,435 97.26%
2020		0.100263		208,776,645,854		209,325,728	207,268,131 99.02%
2019		0.100263		203,271,455,743		203,806,060	198,595,648 97.44%
2018		0.100263		200,395,261,824		200,922,301	196,382,374 97.74%
2017		0.100263		193,736,207,160		194,245,733	192,672,263 99.19%
2016		0.101942		179,170,817,704		182,650,315	179,069,265 98.04%

Source: Local Tax Assessor/Collectors and District records.

HOUSTON CITY COLLEGE
RATIOS OF OUTSTANDING DEBT
LAST TEN FISCAL YEARS
(Unaudited)

Table 9

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Obligation Bonds	\$ 384,602,653	403,305,090	420,427,526	436,874,963	452,967,400	\$ 478,975,884	\$ 497,085,140	\$ 511,685,732	\$ 524,978,521	\$ 540,213,663
Maintenance Tax Bonds	50,226,493	61,679,851	73,458,207	84,766,565	95,639,922	64,900,037	30,747,737	33,873,578	34,717,506	-
Notes	1,770,569	2,491,367	3,205,002	3,911,544	10,828,850	43,420,166	90,038,192	97,208,764	106,793,553	151,938,465
Less: Funds Restricted for Debt Service	-	-	-	-	-	-	-	-	-	-
Net General Bonded Debt	436,599,715	467,476,308	497,090,735	525,553,072	559,436,172	587,296,087	617,871,070	642,768,073	666,489,579	692,152,128
Per Capita	154.96	167.41	199.79	210.28	225.51	236.74	250.73	260.83	268.21	284.54
Per FTSE	12,010	14,189	16,108	17,658	18,316	16,267	17,048	17,117	17,509	17,970
As a Percentage of Taxable Assessed Value	0.15%	0.17%	0.19%	0.23%	0.25%	0.26%	0.30%	0.32%	0.34%	0.39%
Revenue Bonds	76,586,940	93,869,193	110,441,448	126,323,701	145,300,955	167,543,207	191,380,394	217,121,333	240,546,861	261,350,284
Notes	-	-	-	48,000,000	26,994,210	18,402,492	18,793,421	4,428,497	2,395,310	673,299
Total Outstanding Debt	\$ 513,186,655.00	\$ 561,345,501	\$ 607,532,183	\$ 699,876,773	\$ 731,731,336	\$ 773,241,786	\$ 828,044,885	\$ 864,317,903	\$ 909,431,751	\$ 954,175,711
Per Capita	182	201	244	280	295	312	336	351	366	392
Per FTSE	14,116	17,038	19,687	23,515	23,957	21,417	22,848	23,017	23,892	24,772
As a Percentage of Taxable Assessed Value	0.18%	0.20%	0.24%	0.30%	0.33%	0.34%	0.41%	0.43%	0.47%	0.53%

In order to provide consistency with other reporting, HCC has elected to adopt the THECB standard methodology for calculating FTSE that is used for benchmarking and HCC's internal KPI's (Key Performance Indicator). Prior year calculations have been restated to reflect this change. The FTSE ratios calculated and published by THECB are based on CBM submissions and are calculated as follows: Fiscal Year FTSE (Full-Time Student Equivalent) is equal to the sum of state funded (Fall SCH [Semester Credit Hours] + Spring SCH + Summer SCH for the current fiscal year, or 30 SCH) plus state funded continuing education (Fall CH (Contact Hours) + Spring CH + Summer CH for the current fiscal year, or 900 CH).

Source: Schedule C (AFR) and HCC Certified Reports (CBM004 & CBM00C).

HOUSTON CITY COLLEGE
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)

Table 10

	2025	2024	2023	2022	2021
TAXABLE ASSESSED VALUE	\$ 284,964,622,259	\$ 281,595,701,748	\$ 255,508,961,035	\$ 231,006,626,340	\$ 224,674,983,615
GENERAL OBLIGATION BONDS:					
Statutory Tax Levy Limit for Debt Service	1,424,823,111	1,407,978,509	1,277,544,805	1,155,033,132	1,123,374,918
Less: Funds Restricted for Repayment of General Obligation Bonds	-	-	-	-	-
Total Net General Obligation Debt	1,424,823,111	1,407,978,509	1,277,544,805	1,155,033,132	1,123,374,918
Current Year Debt Service Requirements	39,999,236	40,506,736	40,972,436	39,937,861	39,729,037
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 1,384,823,875	\$ 1,367,471,772	\$ 1,236,572,369	\$ 1,115,095,271	\$ 1,083,645,881
Net Current Requirements as a % of Statutory Limit	2.81%	2.88%	3.21%	3.46%	3.54%
	2020	2019	2018	2017	2016
TAXABLE ASSESSED VALUE	\$ 224,575,757,222	\$ 203,271,455,743	\$ 200,395,261,824	\$ 193,736,207,160	\$ 179,170,817,704
GENERAL OBLIGATION BONDS:					
Statutory Tax Levy Limit for Debt Service	1,122,878,786	1,016,357,279	1,001,976,309	968,681,036	895,854,089
Less: Funds Restricted for Repayment of General Obligation Bonds	-	-	-	-	-
Total Net General Obligation Debt	1,122,878,786	1,016,357,279	1,001,976,309	968,681,036	895,854,089
Current Year Debt Service Requirements	36,418,449	36,494,619	33,463,594	33,832,124	32,100,119
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 1,086,460,337	\$ 979,862,660	\$ 968,512,715	\$ 934,848,912	\$ 863,753,970
Net Current Requirements as a % of Statutory Limit	3.24%	3.59%	3.34%	3.49%	3.58%

Note: Texas Education Code Section 130.122 limits the debt service tax levy of community colleges to \$0.50 per hundred dollars taxable assessed valuation.

Net assessed valuation has been restated for prior years to conform to property tax footnote in AFR.

HOUSTON CITY COLLEGE
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS
(Unaudited)

Table 11

Fiscal Year	Pledged Revenues										
	Total	Tuition	Technology Fee	Registration Fees	Laboratory Fees	Continuing Education Fees	Other Fees	Interest Income	Vending Commission	Bookstore Commission	Rental Revenue
2025	119,306,904	\$ 21,329,599	\$ 21,208,088	\$ 33,343,937	\$ 1,358,683	\$ 8,806,323	\$ 11,729,411	\$ 15,530,221	\$ -	\$ 1,386,056	\$ 4,614,586
2024	112,430,689	18,662,416	19,144,834	29,734,304	1,237,745	8,038,096	10,615,930	19,721,416	-	1,062,262	4,213,687
2023	101,882,233	17,300,289	17,989,621	27,839,301	1,195,650	\$ 7,632,142	10,445,936	14,771,698	22,588	861,506	3,823,501
2022	78,692,019	16,263,072	17,363,438	26,687,524	1,148,289	\$ 6,636,504	3,281,999	2,612,076	20,858	992,922	3,685,338
2021	75,083,519	16,234,997	17,931,873	27,409,747	1,064,194	5,552,339	3,141,936	500,736	2,497	931,137	2,314,062
2020	92,184,015	18,567,645	12,576,457	31,930,159	1,418,237	7,038,203	8,230,184	3,970,181	105,000	1,867,627	6,480,321
2019	88,442,146	16,259,037	7,552,392	32,362,392	1,461,786	9,166,992	7,912,994	4,939,438	115,500	2,168,389	6,503,226
2018	84,544,426	15,539,949	5,432,664	33,919,617	1,680,583	9,336,141	7,340,130	3,237,953	126,000	2,367,482	5,563,907
2017	86,675,262	15,524,223	5,424,763	33,979,683	1,690,989	10,690,264	7,225,312	2,012,777	132,930	2,796,712	7,197,608
2016	84,059,232	15,564,359	5,466,412	34,302,596	1,709,948	10,583,589	7,140,293	1,109,495	135,680	1,915,983	6,130,877

Fiscal Year	Debt Service Requirements			
	Principal	Interest	Total	Coverage Ratio
2025	\$ 16,230,798	\$ 3,965,465	\$ 20,196,263	5.91
2024	15,513,635	4,685,419	20,199,054	5.57
2023	14,816,543	5,375,281	20,191,823	5.05
2022	17,665,984	6,204,312	23,870,296	3.30
2021	20,470,000	7,109,225	27,579,225	2.72
2020	19,100,000	8,258,833	27,358,833	3.37
2019	17,035,000	8,636,030	25,671,030	3.45
2018	17,630,000	10,113,836	27,743,836	3.05
2017	18,175,000	9,686,993	27,861,993	3.11
2016	15,640,000	8,560,997	24,200,997	3.47

Note: Beginning in FY 2016, Out -of-District Fees were reclassified from Registration Fees to Tuition (25% of Tuition is Pledged). Prior years have been reclassified for comparison.

HOUSTON CITY COLLEGE
 DEMOGRAPHIC AND ECONOMIC STATISTICS - TAXING DISTRICT
 LAST TEN FISCAL YEARS
 (Unaudited)

Table 12

Calendar Year	Service Area Population	Service Area Personal Income	Service Area Personal Income Per Capita	Service Area Unemployment Rate
2024	2,817,467	\$ 128,966,734,458	\$ 45,774	4.0%
2023	2,792,370	127,672,741,140	45,722	3.0
2022	2,488,115	96,337,324,685	38,719	2.0
2021	2,499,269	95,392,099,192	38,168	6.0
2020	2,480,742	98,495,380,368	39,704	7.0
2019	2,480,760	90,071,434,080	36,308	2.0
2018	2,464,333	92,141,410,870	37,390	3.0
2017	2,484,931	88,789,069,561	35,731	4.0
2016	2,432,543	81,234,773,485	33,395	3.3
2015	2,426,057	75,280,548,710	31,030	3.4

Sources: HCC Service Area Demographics Report. Data reflects the most recent years available

HOUSTON CITY COLLEGE
PRINCIPAL EMPLOYERS
LAST TEN FISCAL YEARS
(Unaudited)

Table 13

(Austin Brazoria, Chambers, Fort Bend,
Galveston, Harris, Liberty, Montgomery,
San Jacinto, Waller

	March 2025**	June 2024*	June 2023	June 2022	June 2021	June 2020	June 2019	June 2018	June 2017	June 2016
Number of Employees										
Trade, Transportation, & Utilities	665,982	662,583	694,200	669,000	629,400	607,600	630,400	629,200	603,200	615,300
Professional & Business Services	512,960	516,705	565,700	525,200	494,100	500,800	516,400	523,000	486,100	458,600
Government	-	-	445,100	431,500	409,200	398,600	417,700	409,600	413,600	387,800
Education & Health Services	441,225	433,697	447,000	432,600	402,200	395,700	402,000	386,200	390,500	383,400
Mining and Logging/Construction	318,096	304,682	291,800	307,100	270,800	280,200	317,200	316,200	301,400	302,600
Manufacturing	238,255	234,718	232,600	225,700	208,200	219,700	240,900	228,200	234,100	231,500
Leisure & Hospitality	361,269	356,405	351,100	355,500	326,200	285,000	341,100	332,300	330,700	327,800
Financial Activities	158,182	163,536	184,400	172,400	164,500	164,500	166,600	163,800	156,200	154,500
Other Services	100,260	98,756	118,500	115,100	110,900	98,700	122,200	111,700	113,200	109,200
Information	25,352	-	33,100	32,000	28,800	29,600	30,700	31,400	32,200	31,200
Total	2,821,581	2,771,082	3,363,500	3,266,100	2,980,400	3,185,200	3,131,600	3,061,200	3,001,900	2,980,000
Percent of Employees										
Trade, Transportation, & Utilities	24.0%	23.9%	20.6%	20.5%	20.4%	19.8%	20.1%	19.7%	20.5%	20.5%
Professional & Business Services	18.5%	18.6%	16.8%	16.1%	16.8%	16.2%	16.7%	15.9%	15.3%	15.9%
Government	0.0%	0.0%	13.2%	13.2%	13.4%	13.1%	13.1%	13.5%	12.9%	12.3%
Education & Health Services	15.9%	15.7%	13.3%	13.2%	13.3%	12.6%	12.3%	12.8%	12.8%	12.3%
Mining and Logging/Construction	11.5%	11.0%	8.7%	9.4%	9.4%	10.0%	10.1%	9.8%	10.1%	10.7%
Manufacturing	8.6%	8.5%	6.9%	6.9%	7.4%	7.6%	7.3%	7.6%	7.7%	8.2%
Leisure & Hospitality	13.0%	12.9%	10.4%	10.9%	9.6%	10.7%	10.6%	10.8%	10.9%	10.3%
Financial Activities	5.7%	5.9%	5.5%	5.3%	5.5%	5.2%	5.2%	5.1%	5.1%	5.1%
Other Services	3.6%	3.6%	3.5%	3.5%	3.3%	3.8%	3.6%	3.7%	3.6%	3.6%
Information	0.9%	0.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.1%	1.0%	1.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

source: U.S. Bureau of Labor Statistics - <https://www.bls.gov/home.htm>

[Private, High-Level Industries, Houston-Pasadena-The Woodlands, TX MSA 2024 First Quarter, All establishment sizes Source: Quarterly Census of Employment and Wages - Bureau of Labor Statistics \(bls.gov\)](#)

*Starting in 2024, the Houston-Pasadena-The Woodlands MSA is used.

**March data was used as the second quarter June release was not available from the Bureau of Labor Statistics

HOUSTON CITY COLLEGE
FACULTY, STAFF AND ADMINISTRATORS STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

Table 14

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Faculty										
Full-Time	886	854	849	915	864	873	881	849	830	818
Part-Time	1,659	1,719	1,656	1,683	1,800	1,953	1,601	1,774	1,545	1,717
Total	<u>2,545</u>	<u>2,573</u>	<u>2,505</u>	<u>2,598</u>	<u>2,664</u>	<u>2,826</u>	<u>2,482</u>	<u>2,623</u>	<u>2,375</u>	<u>2,535</u>
addition error										
Percent										
Full-Time	34.8%	33.2%	33.9%	35.2%	32.4%	30.9%	35.5%	32.4%	34.9%	32.3%
Part-Time	65.2%	66.8%	66.1%	64.8%	67.6%	69.1%	64.5%	67.6%	65.1%	67.7%
Staff and Administrators										
Full-Time	1,597	1,588	1,566	1,549	1,606	1,563	1,636	1,585	1,528	1,465
Part-Time	853	825	715	692	909	1,140	1,049	1,061	1,160	1,432
Total	<u>2,450</u>	<u>2,413</u>	<u>2,281</u>	<u>2,241</u>	<u>2,515</u>	<u>2,703</u>	<u>2,685</u>	<u>2,646</u>	<u>2,688</u>	<u>2,897</u>
Percent										
Full-Time	65.2%	65.8%	68.7%	69.1%	63.9%	57.8%	60.9%	59.9%	56.8%	50.6%
Part-Time	34.8%	34.2%	31.3%	30.9%	36.1%	42.2%	39.1%	40.1%	43.2%	49.4%
Students per Full-Time*										
Faculty	48.9	50.8	50.8	46.6	47.9	61.6	61.6	66.1	66.3	65.4
Staff and Administrators	27.2	27.5	27.5	25.3	23.0	34.4	33.2	35.4	36.0	36.5
Average Annual										
Faculty Salary	\$ 74,998	77,342	77,085	72,395	\$ 72,485	\$ 73,379	\$ 73,116	\$ 73,136	\$ 70,528	\$ 68,504

*All figures are calculated from the CBM001&00A reports combined, see tables 16 and 17.

Source: IPEDS Human Resources Survey, as of November 1, 20XX.

HOUSTON CITY COLLEGE
ANNUAL STUDENT ENROLLMENT TRENDS BY RESIDENCY CODE
SEMESTER CREDIT HOUR (SCH)
LAST TEN FISCAL YEARS
(Unaudited)

Table 15

	FY 2025	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016
In-District	36,282	35,838	34,826	38,782	42,222	49,766	50,285	51,590	53,400	54,157
Out-of-District	27,848	25,994	24,289	22,283	21,051	22,659	23,314	21,765	21,665	20,869
Out-of-State	12,192	9,958	9,812	5,907	6,063	7,431	8,687	9,671	10,365	10,270
Other/Unknown	2	6	8	10	5	21	6	8	17	9
Unduplicated Enrollment	76,324	71,796	68,935	66,982	69,341	79,877	82,292	83,034	85,447	85,305

ANNUAL STUDENT ENROLLMENT TRENDS BY CAREER TYPE
LAST TEN FISCAL YEARS

	FY 2025	FY 2024**	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016
Semester Credit Hour (SCH)	76,324	71,796	68,935	66,982	69,341	79,877	82,292	83,034	85,447	85,305
Funded Continuing Education Unit (CEU)	11,221	9,993	10,434	8,707	7,602	10,894	13,151	14,480	16,701	16,753
Non-Funded Continuing Education	7,734	5,768	5,670	5,584	5,265	6,863	6,811	5,172	3,147	2,344
Adult HS ABE/ESL/GED	2,185	2,352	2,405	1,307	1,072	2,465	3,431	6,128	11,286	11,681
Unduplicated Enrollment *	97,464	89,909	87,444	82,580	83,280	100,099	105,685	108,814	116,581	116,083

Note:

The unduplicated enrollment consist of SCH students only.

The residency code was used in lieu of the tuition residency code. Unduplicate in favor of retaining the last semester.

Fall 2023-summer 2024 SCH annualized headcount, / End of term Data Marts, residency field, unduplicated in favor of retaining the last term enrolled.

*The unduplicated enrollment total cannot be arrived at by summing the columns. This is because students may take courses in multiple career types.

Source: HCC OIR DataMart Files, end-of-term, FY 2011 - FY 2022.

**The data was revised due to a transcription error.

HOUSTON CITY COLLEGE
ENROLLMENT DETAILS
LAST TEN FISCAL YEARS
(Unaudited)

Table 16

Student Classification*	Fall 2024		Fall 2023		Fall 2022		Fall 2021		Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Freshman	28,078	58.1%	26,261	60.1%	25,083	58.1%	23,246	54.5%	21,272	51.4%	28,814	53.6%	28,654	52.8%	29,322	52.2%	27,849	50.6%	26,282	49.2%
Sophomore	10,989	22.7%	10,754	24.6%	10,992	25.5%	11,771	27.6%	12,361	29.9%	13,827	25.7%	14,533	26.8%	15,287	27.2%	14,264	25.9%	14,734	27.6%
Unclassified	2,535	5.2%	3,170	7.3%	3,624	8.4%	3,846	9.0%	4,399	10.6%	5,016	9.3%	5,135	9.5%	5,137	9.2%	5,078	9.2%	5,221	9.8%
Assoc. Degree	606	1.3%	2	0.0%	4	0.0%	7	0.0%	7	0.0%	9	0.0%	15	0.0%	14	0.0%	15	0.0%	21	0.0%
BS & Above	1,717	3.5%	59	0.1%	19	0.0%	21	0.0%	25	0.1%	47	0.1%	53	0.1%	57	0.1%	57	0.1%	117	0.2%
Continuing Ed. Only	4,443	9.2%	3,452	7.9%	3,420	7.9%	3,733	8.8%	3,293	8.0%	6,062	11.3%	5,884	10.8%	6,318	11.3%	7,791	14.2%	7,093	13.3%
Total	48,368	100.0%	43,698	100.0%	43,142	100.0%	42,624	100.0%	41,357	100.0%	53,775	100.0%	54,274	100.0%	56,135	100.0%	55,054	100.0%	53,468	100.0%

Semester Hour Load**	Fall 2024		Fall 2023		Fall 2022		Fall 2021		Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	679		618	1.4%	772	1.8%	1147	2.7%	667	1.6%	789	1.5%	822	1.5%	888	1.6%	506	0.9%	548	1.0%
3-5 semester hrs	14,694	30.4%	13,352	30.6%	13,139	30.5%	12,981	30.5%	11,962	28.9%	14,225	26.5%	14,210	26.2%	13,983	24.9%	13,975	25.4%	12,312	23.0%
6-8 Semester hrs	12,200	25.2%	11,343	26.0%	11,666	27.0%	11,349	26.6%	10,985	26.6%	14,131	26.3%	14,305	26.4%	14,796	26.4%	13,846	25.1%	13,712	25.6%
9-11 semester hrs	7,760	16.0%	7,172	16.4%	7,300	16.9%	7,137	16.7%	7,197	17.4%	9,276	17.2%	9,741	17.9%	10,092	18.0%	9,348	17.0%	9,694	18.1%
12-14 semester hrs	6,890	14.2%	6,052	13.8%	5,523	12.8%	5,140	12.1%	5,850	14.1%	7,770	14.4%	7,986	14.7%	8,708	15.5%	8,264	15.0%	8,787	16.4%
15-17 semester hrs	1,592	3.3%	1,599	3.7%	1,248	2.9%	1,067	2.5%	1,292	3.1%	1,420	2.6%	1,244	2.3%	1,257	2.2%	1,247	2.3%	1,205	2.3%
18 & over	110	0.2%	110	0.3%	74	0.2%	70	0.2%	111	0.3%	102	0.2%	82	0.2%	93	0.2%	77	0.1%	117	0.2%
Continuing Ed. Only	4,443	9.2%	3,452	7.9%	3,420	7.9%	3,733	8.8%	3,293	8.0%	6,062	11.3%	5,884	10.8%	6,318	11.3%	7,791	14.2%	7,093	13.3%
Total	48,368	100.0%	43,698	100.0%	43,142	100.0%	42,624	100.0%	41,357	100.0%	53,775	100.0%	54,274	100.0%	56,135	100.0%	55,054	100.0%	53,468	100.0%
Average course load											53,775.0		7.4 SCH		7.4 SCH		7.6 SCH		7.7 SCH	

Tuition Status***	Fall 2024		Fall 2023		Fall 2022		Fall 2021		Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (In-District)	22,785	47.1%	21,907	50.1%	22,237	51.5%	23,048	54.1%	22,576	54.6%	29,574	55.0%	29,123	53.7%	30,707	54.7%	29,745	54.0%	29,791	55.7%
Texas Resident (Out-of-District)	16,379	33.9%	14,519	33.2%	13,868	32.1%	12,259	28.8%	11,506	27.8%	12,970	24.1%	13,186	24.3%	12,198	21.7%	11,053	20.1%	10,541	19.7%
Non-Resident Tuition	4,531	9.4%	3,576	8.2%	3,401	7.9%	3,391	8.0%	3,771	9.1%	4,870	9.1%	5,824	10.7%	6,594	11.7%	6,151	11.2%	5,761	10.8%
Tuition Waiver	230	0.5%	244	0.6%	216	0.5%	193	0.5%	211	0.5%	299	0.6%	257	0.5%	318	0.6%	314	0.6%	282	0.5%
Continuing Ed. Only	4,443	9.2%	3,452	7.9%	3,420	7.9%	3,733	8.8%	3,293	8.0%	6,062	11.3%	5,884	10.8%	6,318	11.3%	7,791	14.2%	7,093	13.3%
Total	48,368	100.0%	43,698	100.0%	43,142	100.0%	42,624	100.0%	41,357	100.0%	53,775	100.0%	54,274	100.0%	56,135	100.0%	55,054	100.0%	53,468	100.0%

Notes: * Data source is the CBMC1&CBMA&CBMCS&CBMC reports. Files were combined and unduplicated in favor of retaining SCH students. Students taking continuing education courses only are counted one time. SCH students taking SCH and CEU courses are counted one time as SCH. ** Data source same as above. SCH students taking SCH and CEU courses are counted one time as SCH. *** Data source same as above. Continuing education students are not classified as to residency status.

HOUSTON CITY COLLEGE
STUDENT PROFILE
LAST TEN FISCAL YEARS
(Unaudited)

Table 17

Gender	Fall 2024		Fall 2023		Fall 2022		Fall 2021		Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	26,952	55.7%	24,693	56.5%	24,810	57.5%	24,674	57.9%	24,469	59.2%	30,258	56.3%	30,284	55.8%	30,660	54.6%	29,532	53.6%	29,248	54.7%
Male	21,416	44.3%	19,005	43.5%	18,332	42.5%	17,950	42.1%	16,888	40.8%	23,517	43.7%	23,963	44.2%	25,475	45.4%	25,522	46.4%	24,220	45.3%
Total	48,368	100.0%	43,698	100.0%	43,142	100.0%	42,624	100.0%	41,357	100.0%	53,775	100.0%	54,247	100.0%	56,135	100.0%	55,054	100.0%	53,468	100.0%

Ethnic Origin	Fall 2024		Fall 2023		Fall 2022		Fall 2021		Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
African American	10,646	22.0%	9,909	22.7%	10,151	23.5%	12,084	28.4%	11,461	27.7%	14,155	26.3%	14,560	26.8%	15,199	27.1%	14,192	25.8%	14,695	27.5%
Hispanic	18,989	39.3%	17,713	40.5%	16,900	39.2%	16,100	37.8%	14,491	35.0%	20,577	38.3%	19,796	36.5%	19,674	35.0%	19,230	34.9%	18,336	34.3%
White	5,468	11.3%	5,217	11.9%	5,250	12.2%	6,064	14.2%	6,483	15.7%	7,530	14.0%	7,624	14.1%	8,364	14.9%	8,438	15.3%	8,781	16.4%
Asian	4,934	10.2%	4,759	10.9%	4,524	10.5%	4,610	10.8%	4,844	11.7%	5,622	10.5%	5,588	10.3%	5,676	10.1%	5,504	10.0%	5,341	10.0%
Native American	104	0.2%	87	0.2%	94	0.2%	61	0.1%	60	0.1%	89	0.2%	95	0.2%	93	0.2%	87	0.2%	104	0.2%
Foreign	4,398	9.1%	2,975	6.8%	3,499	8.1%	2,624	6.2%	3,050	7.4%	4,099	7.6%	4,947	9.1%	5,464	9.7%	5,257	9.5%	4,655	8.7%
Unknown	3,829	7.9%	3,038	7.0%	2,724	6.3%	1,081	2.5%	968	2.3%	1,703	3.2%	1,637	3.0%	1,665	3.0%	2,346	4.3%	1,556	2.9%
Total	48,368	100.0%	43,698	100.0%	43,142	100.0%	42,624	100.0%	41,357	100.0%	53,775	100.0%	54,247	100.0%	56,135	100.0%	55,054	100.0%	53,468	100.0%

Age	Fall 2024		Fall 2023		Fall 2022		Fall 2021		Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	10,020	20.7%	10,498	24.0%	8,144	18.9%	6,843	16.1%	5,922	14.3%	7,035	13.1%	6,391	11.8%	5,788	10.3%	6,112	11.1%	4,283	8.0%
18 - 21	17,280	35.7%	14,572	33.3%	14,749	34.2%	13,844	32.5%	12,927	31.3%	16,789	31.2%	16,325	30.1%	17,018	30.3%	15,500	28.2%	14,982	28.0%
22 - 24	5,713	11.8%	4,993	11.4%	5,379	12.5%	5,812	13.6%	6,017	14.5%	7,899	14.7%	8,073	14.9%	8,636	15.4%	8,308	15.1%	8,562	16.0%
25 - 35	9,280	19.2%	8,393	19.2%	9,297	21.5%	10,203	23.9%	10,695	25.9%	13,686	25.5%	14,662	27.0%	15,757	28.1%	15,850	28.8%	15,997	29.9%
36 - 50	4,527	9.4%	3,882	8.9%	4,197	9.7%	4,570	10.7%	4,562	11.0%	6,228	11.6%	6,602	12.2%	6,792	12.1%	6,983	12.7%	7,154	13.4%
51 & Over	1,548	3.2%	1,347	3.1%	1,363	3.2%	1,341	3.1%	1,226	3.0%	2,127	4.0%	2,184	4.0%	2,139	3.8%	2,293	4.2%	2,482	4.6%
Unknown	-	0.0%	13	0.0%	13	0.0%	11	0.0%	8	0.0%	11	0.0%	10	0.0%	5	0.0%	8	0.0%	8	0.0%
Total	48,368	100.0%	43,698	100.0%	43,142	100.0%	42,624	100.0%	41,357	100.0%	53,775	100.0%	54,247	100.0%	56,135	100.0%	55,054	100.0%	53,468	100.0%
Average Age	24.6		24.7		25.3		25.6		26.1		26.4		26.5		26.8		26.8		27.4	

Note: Multi-ethnic are included under unknowns. Native Hawaiian/Pac Isl. Are combined with Native Americans

Source: Certified CBM0C1 & CBM00A.

HOUSTON CITY COLLEGE
FUNDABLE CONTACT HOURS
LAST TEN FISCAL YEARS
(Unaudited)

Table 18

Fiscal Year	Funded Contact Hours				Grand Total
	Semester Credit Hours			CEU	
	Academic	Voc Tech	Total		
2025	14,400,544	5,549,104	19,949,648	1,782,811	21,732,459
2024	13,204,384	4,867,712	18,072,096	1,531,836	19,603,932
2023	12,410,352	4,493,008	16,903,360	1,547,669	18,451,029
2022	11,847,072	4,480,976	16,328,048	1,519,066	17,847,114
2021	12,276,332	4,397,790	16,674,122	1,303,587	17,977,709
2020	14,734,611	4,941,920	19,676,531	1,715,532	21,392,063
2019	14,735,065	4,961,424	19,696,489	1,843,055	21,539,544
2018	15,688,714	4,844,368	20,533,082	2,019,420	22,552,502
2017	15,443,656	5,298,512	20,742,168	2,296,406	23,038,574
2016	15,527,528	5,762,048	21,289,576	2,146,857	23,436,433

Source: CBM-CS, CBM-C

Note: All counts are contact hours.

HOUSTON CITY COLLEGE
TRANSFERS TO SENIOR INSTITUTIONS
2023-2024 GRADUATES*
(Includes Only Public Senior Colleges in Texas)
(Unaudited)

Table 19

	Total Student Count Academic	Total Student Count Technical	Total Student Count Tech-Prep	Total of all Transfer Students	% of all Transfer Students
1 Angelo State University	3			3	0.0%
2 Lamar University	76	22		98	1.2%
3 Midwestern State University	4	4		8	0.1%
4 Prairie View A&M University	167	24	1	192	2.4%
5 Sam Houston State University	201	15	1	217	2.7%
6 Stephen F. Austin State University	45	17		62	0.8%
7 Sul Ross State University	1			1	0.0%
8 Tarleton State University	12			12	0.1%
9 Texas A&M International University	2			2	0.0%
10 Texas A&M University	975	98	1	1,074	13.2%
11 Texas A&M University - Central Texas	6	1		7	0.1%
12 Texas A&M University - Commerce	7	4		11	0.1%
13 Texas A&M University - Corpus Christi	44	4		48	0.6%
14 Texas A&M University - Kingsville	5			5	0.1%
15 Texas A&M University - San Antonio	9			9	0.1%
16 Texas A&M University - Texarkana		1		1	0.0%
17 Texas A&M University at Galveston	39	2		41	0.5%
18 Texas Southern University	212	37	2	251	3.1%
19 Texas State University	321	34	5	360	4.4%
20 Texas Tech University	138	20		158	1.9%
21 Texas Woman's University	78	7		85	1.0%
22 The University of Texas Permian Basin	4		1	5	0.1%
23 The University of Texas - Rio Grande Valley	8			8	0.1%
24 The University of Texas at Arlington	122	14		136	1.7%
25 The University of Texas at Austin	572	43	1	616	7.6%
26 The University of Texas at Dallas	139	19		158	1.9%
27 The University of Texas at El Paso	2	1		3	0.0%
28 The University of Texas at San Antonio	184	14	1	199	2.5%
29 The University of Texas at Tyler	101	3	1	105	1.3%
30 University of Houston	2,646	221	6	2,873	35.4%
31 University of Houston - Clear Lake	104	13		117	1.4%
32 University of Houston - Downtown	836	134	3	973	12.0%
33 University of Houston - Victoria	172	17	1	190	2.3%
34 University of North Texas	76	2		78	1.0%
35 University of North Texas at Dallas	2			2	0.0%
36 West Texas A&M University	6	2		8	0.1%
Total	7319	773	24	8,113	100%

Source: Texas Higher Education Coordinating Board <http://www.txhighereddata.org/reports/performance/ctcasalf/ctcaddl/>

* Data reflect the most recent year available from the THECB. There is a one year lag from the time students' graduate until they are located at the transfer institutions.

HOUSTON CITY COLLEGE
CAPITAL ASSET INFORMATION
LAST FIVE FISCAL YEARS
(Unaudited)

Table 20

	2025	2024	2023	2022	2021
Number of Academic Buildings	60	60	60	60	60
Square footage	3,786,205	3,786,205	3,786,205	3,786,205	3,769,775
Number of Administrative Buildings	1	1	1	1	1
Square footage	558,450	558,450	558,450	558,450	558,450
Number of Plant Facilities/Warehouses	7	7	7	7	7
Square footage	145,727	145,727	145,727	145,727	145,727
Number of Parking Structures	6	6	6	6	6
Square footage	1,481,151	1,481,151	1,481,151	1,481,151	1,481,151
Number of Libraries*	15	15	15	15	15
Square footage	156,525	156,525	156,525	156,525	155,472
<u>Libraries</u>					
Number of Volumes					
Circulating books	291,927	268,201	245,370	240,993	245,757
Reference books	16,830	17,994	17,103	17,358	17,975
Media items	13,609	13,940	10,866	10,320	13,225
Electronic books/digital video	423,620	428,644	371,881	332,653	328,772
Digital video	58,099	58,277	58,307	57,870	57,535
Electronic journals	59,181	61,044	61,177	32,883	45,401
Misc. Items (Devices, games, maker items, etc.)	6,526	3,488	7,805	10,143	4,395
Total	869,792	851,588	772,509	702,220	713,060
<u>Transportation</u>					
Ambulance Trucks	2	2	2	-	-
Cars	36	44	45	57	51
Golf Cart	29	28	26	25	24
Utility Carts	18	18	16	16	16
Motorcycle	1	1	1	1	1
Mobile Unit	1	2	2	2	2
Mowing Tractors	2	2	-	-	-
Sports Utility Vehicle	49	44	45	23	23
Tractors	30	28	29	31	31
Trailers	54	55	55	50	50
Box Truck	6	6	5	-	-
Truck	16	15	13	22	21
Truck, Heavy	13	13	13	13	13
Fire Truck	2	2	2	2	2
Cargo Vans	15	16	14	17	17
15 Passenger Vans	2	3	3	3	2
Fuel Tanker	-	1	-	-	-
Forklift	16	16	16	17	17
Total	292	296	287	279	270

Note:

*They are not free standing buildings and are already included in Academic Buildings.

**SINGLE AUDIT REPORTS AND SCHEDULES OF
EXPENDITURES OF FEDERAL AND STATE OF TEXAS
AWARDS**

Place Holder

DRAFT

Place Holder

Place Holder

DRAFT

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Place Holder

HOUSTON CITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2025

Schedule E

Federal Grantor/Cluster/Program Title/Pass-Through Grantor	ALN	Grant Award #	Expenditures	Pass-Through to Subrecipients
Pass-Through Grantor's Award Number				
U. S. Department of Education				
Direct Programs:				
Student Financial Assistance Cluster				
Federal Supplemental Educational Opportunity Grants	84.007	P007A224037	\$ 3,528,316	\$ -
Federal Work-Study Program	84.033	P033A244037	2,443,708	-
Federal Pell Grant Program	84.063	P063P243363	122,768,178	-
Federal Direct Student Loans	84.268	P268K243363	65,129,903	-
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379	P379T253363	6,602	-
Total Student Financial Assistance Cluster (ALN 84.007, 84.033, 84.063, 84.268, 84.38)			193,876,707	-
Higher Education Institutional Aid	84.031	P031S240287	10,370	-
Fund for the Improvement of Postsecondary Education	84.116	P116Z220026	402,415	-
TRIO Cluster				
TRIO - Upward Bound	84.047A	P047A221355	298,781	-
TRIO - Upward Bound	84.047A	P047A220889	538,371	-
TRIO - Educational Opportunities Centers	84.066A	P066A210256	235,746	-
Total TRIO Cluster (ALN 84.047, 84.066)			1,072,898	-
Higher Education Emergency Relief Fund (HEERF):				
Education Stabilization Fund - Minority Serving Institutions Portion - COVID-19	84.425L	P425L200365	109,488	-
Total ALN 84.425			109,488	-
Pass-Through From:				
Houston - Galveston Area Council				
Adult Education - Basic Grants to States	84.002	13128	3,217,712	-
Adult Education - Basic Grants to States	84.002	14780	509,493	-
Total ALN 84.002			3,727,205	-
Texas Higher Education Coordinating Board				
Career and Technical Education - Basic Grants to States	84.048	01220	2,151,263	-
Career and Technical Education - Basic Grants to States	84.048	29781	137,740	-
Total ALN 84.048			2,289,003	-
University of Houston Downtown				
Fund for the Improvement of Postsecondary Education	84.116	P116T220006.H.1	21,069	-
Texas Workforce Commission				
Rehabilitation Services Vocational/Rehabilitation Grants to States	84.126	3025VRS046	52,135	-
Total U.S. Department of Education			201,561,290	-
U.S. Department of Agriculture				
Direct Programs:				
Hispanic Serving Institutions Education Grants Program	10.223	2023-77040-41198	157,591	45,447
Agriculture and Food Research Initiative	10.310	2023-67037-40105	92,165	27,741
Total U.S. Department of Agriculture			249,756	73,188
U.S. Department of Commerce				
Direct Programs:				
Minority Business Development Agency - Business Center	11.805	MB21OBD8050190	176,400	-
Total U.S. Department of Commerce			176,400	-
U.S. Department of Defense				
Pass-Through From:				
University of Montana				
GenCyber Grants Program	12.903	PG25-61988-03	17,137	-
Total U.S. Department of Defense			17,137	-
U.S. Department of Labor				
Pass-Through From:				
Texas Workforce Commission				
WIOA Cluster				
WIOA Adult Program	17.258	2823WOS004	62,637	-
WIOA Dislocated Worker Formula Grants	17.278	2825ATP003	37,875	37,875
Total WIOA Cluster (ALN 17.258, 17.278)			100,512	37,875
Registered Apprenticeship	17.285	2825ATP003	40,654	40,654
City of Houston				
Community Project Funding/Congressionally Directed Spending	17.289	4600017912	96,921	-
Total U.S. Department of Labor			238,087	78,529
U.S. Department of Transportation				
Direct Program:				
Aviation Maintenance Technical Workforce Grant Program	20.112	69A3352450026	396,782	-
Commercial Motor Vehicle Operator Safety Training Grants	20.235	69A3602441408DTG0TX	108,750	-
Total U.S. Department of Transportation			505,532	-

See accompanying notes to Schedule of Expenditures of Federal Awards

HOUSTON CITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
YEAR ENDED AUGUST 31, 2025

Schedule E

Federal Grantor/Cluster/Program Title/Pass-Through Grantor Pass-Through Grantor's Award Number	ALN	Grant Award #	Expenditures	Pass-Through to Subrecipients
U.S. Department of the Treasury				
Pass-Through From:				
City of Houston				
Coronavirus State and Local Fiscal Recovery Funds - COVID19	21.027	4600017912	82,484	-
Total U.S. Department of the Treasury			82,484	-
National Aeronautics & Space Administration				
Pass-Through From:				
Prairie View A&M University				
Office of Stem Engagement (OSTEM)	43.008	M2000597/S200505	6,882	-
University of Houston				
Office of Stem Engagement (OSTEM)	43.008	R-25-0027	2,840	-
Total National Aeronautics & Space Administration			9,722	-
National Science Foundation				
Research and Development Cluster				
Direct Program:				
STEM Education	47.076	2421202	34,145	-
Pass-Through From:				
Miami Dade College				
Computer and information Science and Engineering	47.070	2433939	22,065	-
San Jacinto College				
STEM Education	47.076	NSF53471500	183,089	-
Prairie View A&M University				
STEM Education	47.076	M1801293	7,659	-
Miami-Dade College				
STEM Education	47.076	2350120	45,608	-
University of Houston				
STEM Education	47.076	R-19-0000	52,352	-
Total Research and Development Cluster (ALN 47.070, 47.076)			344,918	-
Total National Science Foundation			344,918	-
U. S. Department of Health and Human Services				
Pass-Through From:				
University of Texas at Austin				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	UTAUS-SUB00000101	1,312	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	UTAUS-SUB00001803	1,269	-
Total (ALN 93.243)			2,581	-
Pass-Through From:				
Texas Workforce Commission				
Temporary Assistance for Needy Families	93.558	2825ATP003	21,466	21,466
Child Care and Development Block Grant	93.575	2825SSD001	5,474	-
Total (ALN 93.558, 93.575)			26,940	21,466
Pass-Through From:				
Rice University				
Allergy and infectious Diseases Research	93.855	X03167991	52,882	-
Total U. S. Department of Health and Human Services			82,403	21,466
Corporation for National and Community Service				
Direct Program:				
AmeriCorps State and National	94.006	-	75,528	-
Total Corporation for National and Community Service			75,528	-
Total Expenditures of Federal Awards			\$ 203,343,257	\$ 173,183

See accompanying notes to Schedule of Expenditures of Federal Awards

HOUSTON CITY COLLEGE
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

The Schedule of Expenditures of Federal Awards presents the activity of the federal award programs of Houston City College for the year ended August 31, 2025. The schedule has been prepared using accrual basis of accounting. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported in the schedule represent funds which have been expensed by HCC for the purposes of the award and may not have been reimbursed by the funding agencies as of the end of the fiscal year. Some amounts reported in the schedule may differ from amounts used in the preparation of the basic financial statements. Separate accounts are maintained for the different awards to aid in the observance of the limitations and restrictions imposed by the funding agencies. HCC has followed all applicable guidelines issued by various entities in the preparation of the schedule. Since HCC has agency approved Indirect Recovery Rate, it has elected not to use the 10% de minimis cost rate as permitted in Uniform Guidance, Section 200.414

NOTE 2 – FEDERAL ASSISTANCE RECONCILIATION

Revenues - Federal Grants & Contracts - per Schedule A	\$ 13,991,463
Add: Non-Operating Federal Revenue - Schedule C	126,296,494
Total Federal Revenue per Schedule A and C	<u>140,287,957</u>
Reconciling items:	
Add: Federal Direct Student Loans	65,129,903
Less: Programs not subject to Federal Single Audit	(2,074,603)
Total Federal Revenues per Schedule of Expenditures of Federal Awards	<u>\$ 203,343,257</u>

NOTE 3 – EXPENDITURES NOT SUBJECT TO FEDERAL SINGLE AUDIT

The following federal funds were not subject to federal single audit –

ALN 64.027 Post 9/11 Veterans Educational Assistance	<u>\$ 2,074,603</u>
--	---------------------

These funds are not subject to a single audit as indicated in the Catalog of Federal Domestic Assistance distributed by the Office of Management and Budget.

NOTE 4 – STUDENT LOANS PROCESSED AND ADMINISTRATIVE COSTS RECOVERED

Federal ALN/Program Name	New Loans Processed	Administrative Cost Recovered	Processed & Administrative Cost Recovered
U.S. Department of Education: 84.268 Direct Student Loans	\$ 65,129,903	\$ -	<u>\$ 65,129,903</u>

NOTE 5 - NONMONETARY FEDERAL ASSISTANCE

There were no federal noncash awards in fiscal year 2025.

HOUSTON CITY COLLEGE
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 6 - AMOUNTS PASSED THROUGH BY HCC TO SUBRECIPIENTS

The following amounts were passed through to the listed sub-recipients by HCC and are included in the Schedule of Expenditure of Federal Awards.

The below amount was funded by the U.S. Department of Agriculture Hispanic Serving Institutions Education Grants Program grant.

ALN 10.223

Sam Houston State University	\$ 45,447
Total Passed-through to Subrecipient	<u>\$ 45,447</u>

The below amount was funded by the U.S. Department of Agriculture Agriculture and Food Research Initiative (AFRI) grant; ALN 10.310

Sam Houston State University	\$ 27,741
Total Passed-through to Subrecipient	<u>\$ 27,741</u>

The below amount was funded by the U.S. Department of Labor WIOA Dislocated Work Formula grant; ALN 17.278

Houston Area Plumbing Joint Apprenticeship	\$ 37,875
Total Passed-through to Subrecipient	<u>\$ 37,875</u>

The below amount was funded by the U.S. Department of Labor Registered Apprenticeship grant; ALN 17.285

Houston Area Plumbing Joint Apprenticeship	\$ 40,654
Total Passed-through to Subrecipient	<u>\$ 40,654</u>

The below amount was funded by the U.S. Department of Health and Human Services Temporary Assistance to Needy Families grant; ALN 93.558

Houston Area Sheet Metal Joint Apprenticeship Committee	\$ 21,466
Total Passed-through to Subrecipient	<u>\$ 21,466</u>

HOUSTON CITY COLLEGE
SCHEDULE OF EXPENDITURES OF STATE OF TEXAS AWARDS
FOR THE YEAR ENDED AUGUST 31, 2025

Schedule F

State Grantor Program Title	Grantor's Number	Expenditures and Pass-Through Disbursements
Texas Higher Education Coordinating Board		
Student Financial Aid Cluster:		
Nursing Student Scholarship Program	-	\$ 61,655
The Texas First Program	-	70,143
Texas College Work Study Program	-	432,418
Texas Educational Opportunity Grant	-	<u>10,812,955</u>
Total Student Financial Aid Cluster		11,377,171
 Direct Program:		
2024 College Readiness and Success Models	01416	37,992
Nursing Shortage Reduction Regular Program FY2022	27006	44,763
Student Success Acceleration Program (SSAP) 2.0	01356	15,442
Texas Reskilling and Upskilling through Education 2023 Grant Program	00291	58,627
Texas Reskilling and Upskilling through Education 2024 Grant Program	00292	61,642
Texas Reskilling and Upskilling through Education 2025 Grant Program	01492	314,328
 Pass-Through From:		
Fort Bend Chamber of Commerce		
Texas Reskilling and Upskilling through Education 2024 Grant Program	01529	<u>42,059</u>
Total Texas Higher Education Coordinating Board		<u>11,952,024</u>
 Texas Workforce Commission		
Direct Program:		
Apprenticeship Training Program	2825ATP003	379,784
Jobs and Education for Texans (JET)	2823JET005	(7,266)
Pre-Apprenticeship Career Pathways	2824PAP001	96,159
Pre-Apprenticeship Career Pathways	2825PAP002	65,033
Skills for Small Business Program	2825SSD001	35,990
Lone Star Workforce for the Future Fund	2825LWF003	<u>92,340</u>
Total Texas Workforce Commission		<u>662,040</u>
 Texas State Board of Public Accountancy		
Direct Program:		
Fifth Year Accounting Student	-	<u>5,000</u>
Total Texas State Board of Public Accountancy		<u>5,000</u>
 Total State Financial Assistance		<u><u>\$ 12,619,064</u></u>

See accompanying notes to Schedule of Expenditures of State of Texas Awards.

HOUSTON CITY COLLEGE
NOTES TO SCHEDULE OF EXPENDITURES OF STATE OF TEXAS AWARDS

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

The Schedule of Expenditures of State of Texas Awards presents the activity of the state award programs of Houston City College for the year ended August 31, 2025. The schedule has been prepared using accrual basis of accounting. Expenditure reports to funding the year ended August 31, 2025. The schedule has been prepared using accrual basis of accounting. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported in the schedule represents funds that have been expended by the College for the purposes of the award and may not have been reimbursed by the funding agencies as of the end of fiscal year. Separate accounts are maintained for the different awards to aid in the observance of the limitations and restrictions imposed by the funding agencies. The College has followed all applicable guidelines issued by various state entities in preparation of the schedule.

NOTE 2 – STATE ASSISTANCE RECONCILIATION

Revenues - State Grants & Contracts - per Schedule A	\$ 12,619,064
Reconciling Items:	
None	-
Total State Revenues per Schedule of Expenditures of State of Texas Awards	<u>\$ 12,619,064</u>

NOTE 3 – AMOUNTS PASSED-THROUGH BY HCC TO SUBRECIPIENTS

The following amounts were passed through to the listed sub-recipients by HCC and are included in the Schedule of Expenditure of State Awards.

The amounts below were funded by the TWC Pre-Apprenticeship Career Pathways (2824PAP001) grant.

Houston Area Plumbing Joint Apprenticeship	\$ 44,200
Boilermakers Southern Area Joint	<u>20,400</u>
Total Passed-through to Subrecipients	<u>\$ 64,600</u>

The below amounts were funded by the TWC Pre-Apprenticeship Career Pathways (2824PAP002) grant.

Houston Area Plumbing Joint Apprenticeship	\$ 20,400
Total Passed-through to Subrecipients	<u>\$ 20,400</u>

The amounts below were funded by the TWC Apprenticeship Training Program grant.

Houston Area Plumbing Joint Apprenticeship	\$ 314,270
Houston Area Sheet Metal Joint Apprenticeship Committee	<u>38,374</u>
Total Passed-through to Subrecipients	<u>\$ 352,644</u>

The amounts below were funded by the TWC Lone Star Workforce for the Future Fund grant.

American Aerospace Technical Academy	\$ 92,340
Total Passed-through to Subrecipients	<u>\$ 92,340</u>

The below amounts were funded by the Texas Higher Education Coordinating Board Texas Reskilling and Upskilling through Education (TRUE) 2023 Grant Program.

Brazosport College	\$ 5,446
San Jacinto College	<u>53,181</u>
Total Passed-through to Subrecipients	<u>\$ 58,627</u>

HOUSTON CITY COLLEGE
NOTES TO SCHEDULE OF EXPENDITURES OF STATE OF TEXAS AWARDS

NOTE 3 – AMOUNTS PASSED-THROUGH BY HCC TO SUBRECIPIENTS-CONTINUED

The below amounts were funded by the Texas Higher Education Coordinating Board Texas Reskilling and Upskilling through Education (TRUE) 2024-2025 Grant Program.

Brazosport College	\$	46,568
San Jacinto College		<u>13,119</u>
Total Passed-through to Subrecipients	\$	<u><u>59,687</u></u>

DRAFT

HOUSTON CITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2025

Section I – Summary of Auditor's Results

Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:
☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer
2. Internal control over financial reporting:
 Significant deficiency(ies) identified? ☐ Yes ☒ None reported
 Material weakness(es) identified? ☐ Yes ☒ No
3. Noncompliance material to the financial statements noted? ☐ Yes ☒ No

Federal Awards

4. Internal control over major federal awards programs:
 Significant deficiency(ies) identified? ☐ Yes ☒ None reported
 Material weakness(es) identified? ☐ Yes ☒ No
5. Type of auditor's report issued on compliance for major federal programs:
☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer
6. Any audit findings disclosed that are required to be reported by 2 CFR 200.516(a)? ☐ Yes ☒ No
7. Identification of major federal programs:

Assistance Listing Numbers	Name of Federal Program or Cluster
84.007, 84.033, 84.063, 84.268, 84.379	Student Financial Aid Cluster

8. Dollar threshold used to distinguish between Type A and Type B programs: \$3,000,000.
9. Auditee qualified as a low-risk auditee? ☒ Yes ☐ No

HOUSTON CITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2025

State Awards

10. Internal control over major state awards program:

Significant deficiency(ies) identified?

☐ Yes

☒ None reported

Material weakness(es) identified?

☐ Yes

☒ No

11. Type of auditor's report issued on compliance for the major state program:

☒ Unmodified

☐ Qualified

☐ Adverse

☐ Disclaimer

12. Any audit findings disclosed that are required to be reported by TxGMS

☐ Yes

☒ No

13. Identification of major state program:

State Listing Number	Name of State Program or Cluster
N/A	Texas Educational Opportunity Grant

14. Dollar threshold used to distinguish between Type A and Type B programs: \$750,000.

HOUSTON CITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2025

Section II – Financial Statement Findings

No matters reportable

Section III – Federal and State Award Findings and Questioned Costs

No matters reportable

DRAFT

ACTION ITEM

Meeting Date: December 3, 2025

Consent Agenda

ITEM #	ITEM TITLE	PRESENTER
6.	Proposed Revisions to BE (Local) Policy and Bylaw Development	Dr. Margaret Ford Fisher Dr. Nicole Montgomery Dr. Melissa Mihalick

RECOMMENDATION

Approve the revisions to BE (LOCAL) policy as set forth in the attached.

COMPELLING REASON AND BACKGROUND

TASB recommends Board adoption of revisions to policy BE (LOCAL). This revised policy ensures that newly enacted law is applicable when effective and governing law supersedes policy, when there is a conflict.

STRATEGIC ALIGNMENT

1. Student Success, 5. College of Choice

ATTACHMENTS:

Description	Upload Date	Type
BE(LOCAL) Policy	11/18/2025	Attachment

This item is applicable to the following: District

POLICY AND BYLAW DEVELOPMENT

BE
(LOCAL)

	Within the context of current law, the College District shall be guided by Board-adopted written policies that are given appropriate distribution and are accessible to staff members, parents, students, and community residents. All policies shall be consistent with the guidelines set forth by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) and state and federal law.
Organization	Legally referenced policies contain provisions from federal and state statutes and regulations, case law, and other legal authority that together form the framework for local decision making and implementation. These policies are binding on the College District until the cited provisions are repealed, revised, or superseded by legislative, regulatory, or judicial action. At each policy code, the legally referenced policy and the Board-adopted local policy must be read together to further a full understanding of a topic.
Terms	The terms "Trustee" and "Board member" are used interchangeably in the local policy manual. Both terms are intended to reflect all the duties and obligations of the office. [See AB for College District name terminology]
Harmony with Law	No policy or regulation, or any portion thereof, shall be operative if it is found to be in conflict with applicable law. Newly enacted law is applicable when effective. No policy or regulation, or any portion thereof, shall be operative if it is found to be in conflict with applicable law.
Severability	If any portion of a policy or its application to any person or circumstance is found to be invalid, that invalidity shall not affect other provisions or applications of policy that can be given effect without the invalid provision or application. To this end, the provisions of this policy manual are declared to be severable.
Policy Development	Policies and policy amendments may be initiated by the Chancellor, Board members, College District personnel, students, or community citizens but generally shall be recommended for the Board's consideration by the Chancellor. The College District's General Counsel shall be responsible for maintaining and updating the College District's policies, as needed.
Adoption	The Board shall have the sole right to adopt local policies. Proposed local policies or amendments shall be submitted to the Board Governance Committee for initial consideration and ap-

Commented [JL1]: This change is recommended by TASB, and the Administration and Board Counsel are in concurrence.

POLICY AND BYLAW DEVELOPMENT

BE
(LOCAL)

proval. Local policies or amendments approved by the Board Governance Committee shall be presented to the Board at a subsequent regular meeting for final approval.

Local policies shall become effective upon Board adoption or at a future date designated by the Board at the time of adoption.

Legally referenced policies are not adopted by the Board.

Official Policy Manual

The Board shall designate one copy of the local policy manual as the official policy manual of the College District. The official copy shall be kept in the Chancellor's office, and the Chancellor shall be responsible for its accuracy and integrity and shall maintain a historical record of the College District's policy manual.

TASB Localized Updates

After Board review of legally referenced policies and adoption of local policies, the new material shall be incorporated into the official policy manual and into other localized policy manuals maintained by the College District. If discrepancies occur between different copies of the manual distributed throughout the College District, the version contained in the official policy manual shall be regarded as authoritative.

Noncompliance

Noncompliance with policies may result in termination of employment or dismissal from an academic program, as appropriate.

Bylaws

The Board bylaws, which establish the internal management and procedures of the Board, shall be maintained by the Board's counsel. To the extent that these policies conflict with the Board bylaws, the legal policies shall control.

Effective Date

~~This policy shall be effective as of the adoption date, April 21, 2021.~~

ACTION ITEM

Meeting Date: December 3, 2025

Consent Agenda

ITEM #	ITEM TITLE	PRESENTER
7.	Proposed Revisions to CAK (LOCAL) Appropriations and Revenue Sources: Investments	Dr. Margaret Ford Fisher Dr. Nicole Montgomery Dr. Melissa Mihalick Robert McCracken

RECOMMENDATION

Approve the CAK (LOCAL) policy on Appropriations and Revenue Sources: Investments, with the recommended changes.

COMPELLING REASON AND BACKGROUND

In accordance with CAK (LEGAL), the HCC governing body shall formally review the investment policy and strategies; and shall record any changes to the investment policy and strategies.

The Board of Trustees annually reviews the Investment Policy to comply with changes to the law and best practices.

FISCAL IMPACT

Provide safety of principal, liquidity, and a reasonable return on our investments in prevailing economic and investment environments.

LEGAL REQUIREMENT

The Texas Government Code, Chapter 2256, Public Funds Investment Act, requires the governing body of an investing entity to review its written investment policy and strategies not less than annually.

STRATEGIC ALIGNMENT

1. Student Success, 4. Community Investment , 5. College of Choice

ATTACHMENTS:

Description	Upload Date	Type
CAK(LOCAL) Policy	11/21/2025	Attachment

This item is applicable to the following: District

APPROPRIATIONS AND REVENUE SOURCES
INVESTMENTS

CAK
(LOCAL)

Purpose

The purpose of this investment policy (the policy) is to comply with Chapter 2256 of the Texas Government Code, also known as the Public Funds Investment Act (the Act), which requires that the College District annually adopt a written investment policy for the investment of its funds and funds under its control. This document sets forth specific investment policies and strategy guidelines for the College District in order to achieve the goals of ensuring the preservation and safety of principal, maintaining adequate liquidity (including considerations of marketability of investments), proper diversification of investments, maintaining public trust for all investment activities, and achieving the best allowable yield commensurate with the risk criteria of this policy.

Policy

The College District shall invest its funds in a manner that provides optimal security and a reasonable rate of return while meeting daily cash flow demands. Effective cash management is recognized as essential to good fiscal management. An active cash management and investment policy shall be pursued to take advantage of investment interest as a viable and material source of revenue. The College District's portfolio shall be designed and managed in a manner intended to optimize this revenue source, to maintain the public trust, and to be in compliance with legal requirements and limitations.

Investments shall be made with the following primary objectives:

1. Safety and preservation of principal;
2. Maintenance of sufficient liquidity to meet operating needs;
3. Maintaining public trust by following prudent investment activities; and
4. Risk-commensurate yield on the portfolio, including considerations of diversification, maturity and quality.

Investment Strategy

The College District shall maintain a portfolio that utilizes specific investment strategies designed to address the unique characteristics of the fund groups represented in the portfolio. A comprehensive and proactive cash management program shall be maintained to monitor and control all funds, to the extent possible, to have cash invested and not idle, and to yield a risk-commensurate rate of return. The investment strategy is to minimize credit risk, properly diversity, and actively manage maturities. In order to avoid selling an investment prior to maturity, thereby exposing the College District to the risk of principal due to interest rate increases

APPROPRIATIONS AND REVENUE SOURCES
INVESTMENTS

CAK
(LOCAL)

(market risk), investment maturities shall not exceed the anticipated cash flow requirements of the respective funds. The composite portfolio shall have a dollar weighted average maturity of two years or less. The management of maturities is accomplished by laddering the maturity dates of investments (longer-term maturities shall be purchased to enhance yield, while shorter-term maturities shall be purchased to cover cash flow needs). The allowable investment instruments, as defined at Authorized Investments, below, reflect the avoidance of credit risk. Diversification is accomplished by allocating investments among a variety of alternatives and maturities.

Authorized
Investments

The list of investments authorized by this policy intentionally excludes some investments allowed by state law. The restrictions limit possible credit risk and provide the conservatively appropriate measure of safety. Within the investment objectives, the investment strategy is to utilize authorized investments for maximum advantage to the College District.

General Portfolio
Strategy

The general portfolio strategy for the aggregate portfolio is to increase the interest earnings for funds identified as being available for investment over longer periods of time while also meeting cash requirements projections.

*Investment Pools
and Mutual
Funds*

Satisfying liquidity requirements through the use of financial institution deposits, local government investment pools, and money market mutual funds shall be considered. An investment pool or money market mutual fund invests funds jointly on behalf of its participants. Because funds are usually available from investment pools and money market mutual funds on a same-day basis, these pools or funds have a high degree of liquidity. The College District shall prudently select investment pools and money market mutual funds that are able to efficiently invest in a variety of investment types.

*Laddered
Investments*

Building a laddered structure of investments with staggered maturities for all or part of the longer-term investable funds shall also be considered. The benefits of this laddered approach include the following:

1. It is straight-forward and easily understood;
2. It is a prudent diversification method;
3. It maintains investments within the approved maturity horizon;
4. It helps minimize the impact of volatile interest rates;

APPROPRIATIONS AND REVENUE SOURCES
INVESTMENTS

CAK
(LOCAL)

5. It will typically allow the College District to capture a reasonable portion of the yield curve; and
6. It provides predictable cash flow with scheduled maturities and reinvestment opportunities.

*Investment
Adviser*

Pursuant to the Act, the College District may, at its discretion and with Board approval, contract with an investment management firm registered under the Investment Advisers Act of 1940 or with the State Securities Board to provide for investment and management of public funds received by the College District subject to investment restrictions.

An appointed investment adviser shall act solely in an advisory and administrative capacity, within the guidelines of this policy. At no time shall the adviser take possession of investments or funds or otherwise be granted authority to transact business on behalf of the College District. Any contract awarded by the College District for investment advisory services shall be approved by the Board and shall not exceed the then maximum term allowed by law (currently two years), with an option to extend by mutual consent of both parties, upon Board approval.

Any investment adviser engaged by the College District shall give investment advice with the judgment and care, under circumstances then prevailing, that persons paid for their special prudence, discretion, and intelligence in such matters exercise in the management of their client's affairs, not for speculation by the client or production of fee income by the adviser or broker, but for investment by the client with emphasis on the probable safety of capital while considering the probable income to be derived.

Before the College District enters into a contract with an outside investment advisor, it shall adopt ethics and disclosure standards pursuant to Chapter 2263 of the Texas Government Code.

*Liquidity and
Maturity*

The strategy of the College District shall be to maintain sufficient liquidity in its portfolio so that it does not need to sell or liquidate an investment prior to maturity. However, the primary investment advisers shall have the authority to sell or liquidate an investment prior to maturity for less than the then current book value, if necessary.

*Specific Investment
Strategy*

The specific investment strategies for the College District fund or fund groups shall utilize five strategy considerations designed to address the unique characteristics of the fund groups represented in the portfolios. All authorized investments shall be suitable and

APPROPRIATIONS AND REVENUE SOURCES
INVESTMENTS

CAK
(LOCAL)

permitted for each fund-type strategy, and marketability shall be managed by maturity limitations.

*Operating and
Pooled Funds*

Investment strategies for operating funds and pooled funds containing operating funds shall have as their primary objective to ensure that anticipated cash flows are matched with adequate investment liquidity. The secondary objective shall be to create a portfolio structure that shall experience minimal volatility during economic cycles through diversification by investment type, maturity date, and obligor.

*Debt Service
Funds*

Investment strategies for debt service funds shall have as the primary objective the assurance of investment liquidity adequate to cover debt service obligations on the various required payment dates. These funds shall be invested to meet scheduled debt payment schedules. Investments shall not have stated final maturity dates that exceed the next unfunded debt service payment date for which such investments are designated. Alternatively, funds can be maintained in shorter-term investments to be available for scheduled debt service payments. Additionally, debt service funds shall be invested according to the restrictions and/or requirements of the related bond covenants.

*Bond and Debt
Service Reserve
Funds*

Investment strategies for bond funds and debt service reserve funds shall have as the primary objective the ability to generate a dependable revenue stream for the related debt service fund with a low degree of interest rate volatility or market volatility or both. Managing the debt service reserve fund's portfolio maturities to not exceed the call provisions of the related bond issue reduces the investment's market risk if the College District's bonds are called and the reserve fund liquidated. Except as may be required by a specific bond order, resolution or trust indenture, investments shall be of high quality, with short-to-medium term maturities. No investment maturity shall exceed the final maturity of the related bond issue. Additionally, bond and debt service reserve funds shall be invested according to the restrictions and/or requirements of the related bond covenants.

*Special Projects
or Capital Project
Funds*

Investment strategies for special project or capital project funds shall have as their primary objective to ensure that anticipated cash flows are matched with adequate investment liquidity. Market conditions and arbitrage regulations, if any, shall influence the investment of capital project funds. To the extent market conditions and federal income tax law allow, achieving a positive spread to applicable arbitrage yield shall be the desired objective for bond

APPROPRIATIONS AND REVENUE SOURCES
INVESTMENTS

CAK
(LOCAL)

proceeds; although at no time shall the anticipated expenditure schedule be exceeded in an attempt to increase yield.

Scope

This policy shall govern the investment of all financial assets considered to be part of the College District and includes all funds or fund types as described in the College District's audited financial report and any other funds that have been contractually delegated to the College District for management purposes. The College District shall add or delete funds as required by law or for proper accounting procedures. This policy does not include funds governed by approved trust agreements or assets administered for the benefit of the College District by outside agencies under retirement or deferred compensation programs. Additionally, bond funds (including debt service and reserve funds) are governed by related bond orders, resolutions and trust indentures and might be subject to the provisions of the Internal Revenue Code and applicable federal regulations governing the investment of bond proceeds.

**Investment
Objectives**

The College District shall manage and invest its cash with four primary objectives as identified in the Policy section above. The safety of the principal invested shall always remain the primary objective. All investments shall be designed and managed in a manner to maintain public trust and consistent with all applicable state and federal statutes, this policy, and any other approved, written administrative procedures.

The College District shall maintain a comprehensive cash management program that includes prompt collection of accounts receivable, processing vendor payments in accordance with invoice terms, and prudent investment of available cash. Cash management is defined as the process of managing funds in order to ensure maximum cash availability and optimal yield on short-term investment of pooled idle cash.

The four objectives of the College District's investment activities shall be as follows, in order of importance:

1. Safety and—Preservation of Principal - Safety of principal invested shall be the foremost objective in the investment decisions of the College District. Each investment transaction shall seek to ensure the preservation of capital. The risk of loss shall be controlled by portfolio diversification and by investing only in authorized investments as defined in this policy, by qualifying the financial institutions with whom the College District transacts. Safety is defined as the undiminished return of the principal of the College District's investments.

APPROPRIATIONS AND REVENUE SOURCES
INVESTMENTS

CAK
(LOCAL)

2. Liquidity – The College District’s investment portfolio shall remain sufficiently liquid to meet all reasonably anticipated operating and debt service requirements by structuring the portfolio so that investments mature concurrently with reasonably anticipated cash needs. Because all possible cash demands cannot be anticipated, a reasonable portion of the portfolio shall also be placed in investment options that offer same-day liquidity for short-term funds.
3. Public Trust – All participants in the College District’s investment program shall act responsibly as custodians of the public trust. Investment officers shall avoid any transaction that might involve an actual or appearance of a conflict of interest or otherwise impair public confidence in the College District’s ability to govern effectively. All personnel of the College District having either a direct or indirect role in the process of investing idle funds shall act responsibly as custodians of the public trust.
4. Yield – The College District’s investment portfolio shall be designed with the objective of attaining a risk-commensurate rate of return throughout budgetary and economic cycles, taking into account investment risk constraints and liquidity needs. Return on investment is of secondary importance to the safety of principal and liquidity objectives described above. The core of investments is limited to relatively low-risk instruments in exchange for a fair return relative to the risk being assumed.

**Investment
Responsibility and
Control**

The authority for investing funds rests with the Board. As provided in this policy, the daily operation and management of the College District’s investments are delegated to the following persons. These individuals shall be qualified and capable of making investment decisions.

**Investment Officer
Designation**

The Board delegates the authority to invest the College District funds to the senior vice chancellor of finance and administration, the associate vice chancellor of finance and accounting, and the executive director of finance and treasury. Therefore, the senior vice chancellor of finance and administration, the associate vice chancellor of finance and accounting, and the executive director of finance and treasury shall be the “primary investment officers” for the College District and are authorized to deposit, withdraw, invest, transfer, or manage in any other manner the funds of the College

APPROPRIATIONS AND REVENUE SOURCES
INVESTMENTS

CAK
(LOCAL)

District. All persons involved in investment activities, but not officially designated as investment officers, shall be referred to in this policy as "investment personnel."

No persons may engage in an investment activity except as provided under the terms of this policy and the procedures established by the primary investment officers. The primary investment officers shall be responsible for executing all transactions undertaken and shall establish a system of controls to regulate the activities of investment personnel. The system of controls shall be designed to provide reasonable assurance that the assets of the College District are protected from loss, theft, or misuse. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by the primary investment officers.

The primary investment officers for the College District shall be responsible for investment decisions and activities under the direction of the Board. The executive director of finance and treasury is responsible for daily investment decisions and activities. However, ultimate responsibility for investment decisions shall rest with the vice chancellor of finance and administration. Commitment of financial and staffing resources in order to maximize total return through active portfolio management shall be the responsibility of the Board.

Prudence

The standard of ~~care~~**prudence** to be applied by a primary investment officer shall be the "prudent person" rule, which states, "investments shall be made with judgment and care, under **prevailing** circumstances ~~then-prevailing~~, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." In determining whether a primary investment officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the following:

1. The investment of all funds over which the investment officer had responsibility rather than a consideration as to the prudence of a single investment; and
2. Consistency with the written investment policies and procedures of the College District.

Due Diligence

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**Ethical Standards
and Conflicts of
Interests**

A primary investment officer acting in accordance with the College District's written policies and procedures and exercising due diligence shall not be held personally responsible for a specific investment's yield or market price changes due to credit risk or market risk. All investment officers and personnel involved in investment activities shall be bonded.

All College District primary investment officers and investment personnel having a direct or indirect role in the investment of the College District funds shall act as custodians of the public trust avoiding any transaction that might involve a conflict of interest, the appearance of a conflict of interest, or any activity that might otherwise discourage public confidence. Primary investment officers and investment personnel involved in the investment process shall refrain from any personal business activity that could be reasonably foreseen to conflict with proper execution of the investment program or that could be reasonably foreseen to impair the ability to make impartial investment decisions.

A primary investment officer who has a personal business relationship with a financial institution or with any entity seeking to sell an investment to the College District shall file a statement with the [Texas](#) Ethics Commission and the Board disclosing that personal business interest. Primary investment officers shall disclose any material interests in financial institutions with which they conduct business on behalf of the College District. They shall further disclose any personal financial/investment positions that could be reasonably be considered to relate to the performance of the College District's investment portfolio. Primary investment officers and investment personnel shall refrain from undertaking personal investment transactions with any individual with whom business is conducted on behalf of the College District.

A primary investment officer who is related within the second degree of affinity or consanguinity to an individual seeking to sell an investment to the College District shall file a statement disclosing that relationship. A statement required under this subsection shall be filed with the [Texas](#) Ethics Commission and the Board.

Training

Each member of the Board shall attend at least one training session provided by the Texas Higher Education Coordinating Board related to the person's responsibilities under the Act within six months after taking office. The training shall include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with the Act.

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In order to ensure qualified and capable investment management, the primary investment officers shall attend a training session containing at least ten hours of instruction relating to the officers' responsibilities under the Act within six months after assuming duties and prepare a report thereon to the Board not later than the 180th day after the last day of each regular legislative session. The training shall include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with the Act. In addition, the primary investment officers shall attend an investment training session containing at least eight hours of instruction not less once each two-year period beginning on the first day of the ~~School~~-District's fiscal year. The investment training sessions shall be provided by one of the following approved training sources:

1. The Texas Higher Education Coordinating Board;
2. The American Institute of Certified Public Accountants;
3. The Association of Governmental Accountants;
4. The International City/County Management Association;
5. The Council of Governments;
6. The Texas Society of Certified Public Accountants;
7. The Texas State Board of Public Accountancy;
8. The Government Finance Officers Association;
9. The Government Finance Officers Association of Texas;
10. The Government Treasurers' Organization of Texas;
11. The Texas Municipal League;
12. The Government Investment Officers Association;
13. The Texas State University of San Marcos;
14. The Texas Association of Community College Business Officers (TACCBO); and
15. The University of North Texas Center for Public Management.

Internal Controls

The primary investment officers shall establish a system of internal controls. The controls shall be designed to prevent loss of public funds due to fraud, error, misrepresentation, unanticipated market changes, or imprudent actions. The College District's independent

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external auditors, in conjunction with their annual financial audit, shall perform a compliance audit of management controls and adherence to the College District's established investment policy. The internal controls shall address the following points:

1. Avoidance of collusion;
2. Separation of transaction authority between accounting and recordkeeping;
3. Custodial safekeeping;
4. Clear delegation of authority to subordinate staff members; and
5. Written confirmation for telephone (voice) transactions for investment and wire transfers.

**Authorized
Investments**

Safety of principal shall be the primary objective in investing College District funds and shall be accomplished by limiting two types of risk: credit risk and interest rate risk. Credit risk is the risk associated with the financial failure of an investment obligor or guarantor. Interest rate risk is the risk that the value of a portfolio might decline due to an increase in the prevailing level of interest rates at any time. In order to provide for safety of principal as the College District's primary objective, only certain investments shall be authorized as acceptable investments for the College District. The College District shall not be required to liquidate investments that were authorized investments at the time of purchase. The following list of authorized investments for the College District intentionally excludes some investments authorized by law. These restrictions are placed in order to limit risk and provide a conservative and appropriate measure of safety for the College District funds.

Authorized and
Acceptable
Investments

Obligations of or guaranteed by governmental entities, limited to the following, as authorized by Section 2256.009(a) of the Public Funds Investment Act:

1. Obligations of the United States or its agencies and instrumentalities, including the Federal Home Loan Bank and letters of credit issued by U.S. agencies;
2. Direct obligations of this state or its agencies and instrumentalities;
3. Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the under-

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lying security for which is guaranteed by an agency or instrumentality of the United States, with the exception of those excluded at Unauthorized Investment Instruments below;

4. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, this state or the United States or their respective agencies and instrumentalities including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC) or by the explicit full faith and credit of the United States; and
5. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent.

Financial Institution
Deposits

Financial institution deposits (a deposit issued by, or placed with, a depository institution that has its main office or a branch office in this state), and is:

1. Guaranteed or insured by the FDIC or its successor or the National Credit Union Share Insurance Fund or its successor;
2. Secured by obligations that are described by the Public Funds Collateral Act (Chapter 2257, Texas Government Code) and are eligible under this policy; and
3. Collateralized in accordance with Market Value of Collateral, as described below.

In addition to the above provisions, the College District may invest in certificates of deposit through a broker or depository institution that has its main office or a state branch office and is selected as required by the Act. The broker or depository institution shall arrange for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the College District. The full amount of the principal and accrued interest of each of the certificates of deposit shall be insured by the United States or an instrumentality of the United States.

The College District shall appoint an independent custodian qualified under the Act for the College District with respect to the certificates of deposit and require delivery versus payment settlement, when applicable.

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Eligible Local
Government
Investment Pools

Eligible local government investment pools (public funds investment pools that invest in instruments and follow practices allowed by the current law, as defined in the Act), provided that an investment pool shall:

1. Be authorized by the Board;
2. Have an advisory board as specified in the Act;
3. Have furnished the investment officer an offering circular or other disclosure document containing the information required by Section 2256.016(b) of the Act;
4. Furnish the investment officer investment transaction confirmations with respect to all investments made with it;
5. Furnish to the investment officer monthly reports containing the information required in the Act;
6. Be continuously rated no lower than "AAA" or "AAA-m" or an equivalent rating by at least one nationally recognized rating service;
7. Mark its portfolio to market daily;
8. Be compliant with all requirements of the Act; and
9. Have an investment philosophy and strategy consistent with this policy.

Repurchase
Agreements

Repurchase agreements with a defined termination date, and secured by a combination of cash and obligations of the United States or its agencies and instrumentalities and meeting the following qualifications:

1. The repurchase agreement shall be placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in this state.
2. The underlying collateral shall be pledged to the College District, held in an account in the name of the College District, and deposited at the time the investment is made with the College District's custodial (safekeeping) agent.
3. A written repurchase agreement between the College District and its trading partner shall be executed.
4. Repurchase agreement transactions shall be settled on a delivery versus payment basis.

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5. Securities pledged as collateral for repurchase agreements shall have a market value greater than or equal to 102 percent of the outstanding principal amount of plus accrued interest on the agreement at all times.

Regulated No-Load
Money Market
Mutual Funds

Regulated no-load money market mutual funds that meet the following qualifications:

1. The money market mutual fund is registered with and regulated by the Securities and Exchange Commission (SEC);
2. The fund provides the College District with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940;
3. The investment objectives include the maintenance of a stable net asset value of \$1.0000 per share; and
4. The fund is continuously rated no lower than "AAA" or an equivalent rating by at least one nationally recognized rating service.

The College District shall not invest funds under its control in an amount that exceeds 10 percent of the total assets of any individual money market mutual fund.

Regulated No-Load
Mutual Funds

Regulated no-load mutual funds that meet the following qualifications:

1. The mutual fund is registered with the SEC;
2. Has an average weighted maturity of less than two years; and
3. Either has a duration of one year or more and is invested exclusively in obligations approved by the Act or has a duration of less than one year and the portfolio is limited to investment grade securities, excluding asset-backed securities.

The College District shall not invest funds under its control in an amount that exceeds 15 percent of the total monthly average fund balance, excluding bond proceeds, reserves, and debt service funds. In accordance with the Act, the College District shall not invest any proceeds of bond issuances, bond reserve funds, or funds held for debt service in a mutual fund described in this section. The College District shall not invest funds under its control in an amount that exceeds 10 percent of the total assets of any individual mutual fund.

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Securities Lending Programs	The securities lending program shall be an authorized investment by complying with Section 2256.0115 of the Act.
Unauthorized Investment Instruments	Specifically unauthorized investment instruments include: 1. Obligations whose payments represent the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; 2. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest; 3. Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years; and 4. Collateralized mortgage obligations, the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.
Credit Rating Review and Effect of Loss	Not less than quarterly, the investment officers shall obtain the current credit rating for each held investment that is required to maintain a minimum credit rating from a reliable source to ensure that each investment has maintained the required minimum rating. The primary investment officers shall take all prudent measures that are consistent with this policy to liquidate an investment that is downgraded below the required minimum rating.
Diversification	Diversification of investment instruments shall be utilized to avoid incurring unreasonable risks resulting from overconcentration of investments in a specific maturity, issue, or class of investments. With the exception of federal securities, as authorized in this policy, fully collateralized financial institution deposits, and authorized local government investment pools, no more than 50 percent of the total investment portfolio shall be invested in any one security type. Diversification of the portfolio considers diversification by maturity dates and diversification by investment instrument.
Maturities	The longer the maturity of investments the greater their price volatility. Therefore, it is the College District's policy to concentrate its investment portfolio in shorter-term investments in order to limit principal risks caused by increases in interest rates. The College District shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the College District operating funds shall not directly invest in instruments maturing more than three years from the date of purchase. However, the above-described obligations, certificates, or agreements

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may be collateralized using instruments with longer maturities. Maturity scheduling shall be managed by the primary investment officers so that maturities of investments shall be timed to coincide with projected cash flow needs.

The entire College District portfolio, including funds at the College District's primary depository bank, shall comprise one pooled fund group, and the maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio is two years or less. Investment maturities for debt service interest and sinking funds and/or other types of reserve funds whose use is longer term may not exceed the earlier of 10 years or the maturity date of the applicable bond issue.

Investment
Instrument

The College District shall diversify the use of investment instruments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions, or maturities. Diversification by investment instrument shall not exceed the following guidelines for each type of instrument:

Percentage of Portfolio	
(Maximum at Time of Purchase)	
U.S. Treasury Obligations	100%
U.S. Gov't Agency Securities and Instrumentalities	80%
U.S. Agency Step-Up Options	10%
Authorized Local Gov't Investment Pools	100%
Fully Collateralized Financial Institution Deposits	100%
Fully Collateralized Repurchase Agreements	10%
SEC-Regulated No-Load Money Market Mutual Funds	50%
SEC-Regulated No-Load Mutual Funds (excluding bond funds)	15%
Obligation of States, Agencies, Counties, Cities, and Other Governmental Entities	20%

Authorized Brokers,
Dealers, and
Financial
Institutions

Financial institutions (federally insured banks) with and through whom the College District invests shall be state or national banks. No public deposit shall be made except in a qualified public depository authorized by state law. Broker/dealers authorized to provide

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investment services to the College District shall be reviewed and approved annually by the Board. All primary banking services shall be governed by a depository contract awarded by the Board. In addition, the primary investment officers shall maintain a list of investment pools that are authorized by the Board.

All local government investment pools and discretionary investment management firms ("business organizations") shall be required to provide a certification of having read the College District's investment policy, signed by a qualified representative of the business organization, acknowledging that the business organization has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities arising out of investment transactions conducted between the College District and the organization.

The College District shall supply a copy of the currently approved investment policy to any broker/dealer or financial institution with whom it transacts investment business and will request acknowledgment of receipt of the document from the broker/dealer or financial institution. This best practice procedure will ensure that the broker/dealer or financial institution is aware of the current investment policy parameters.

*Sellers of
Investments*

Prior to handling investments on behalf of the College District, a broker/dealer or a qualified representative of a business organization must submit required written documents in accordance with law.

Representatives of brokers/dealers and representatives with distributors of investment pools shall be registered with the Texas State Securities Board and must have membership in the Securities Investor Protection Corporation (SIPC) and be in good standing with the Financial Industry Regulatory Authority (FINRA). Distributors of investment pools shall also be registered in good standing with the Municipal Securities Rulemaking Board (MSRB).

Selection Criteria

Selection criteria for federally insured financial institutions shall include the following:

1. The financial institution shall be insured by the FDIC;
2. The financial institution shall be incorporated under the laws of this state or of the United States of America; and
3. The financial institution shall be eligible under state law.

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**Delivery Versus
Payment**

All of the College District's security transactions shall be conducted on a delivery versus payment basis through the Federal Reserve System or other appropriate settlement system. By doing this, the College District funds shall not be released until the College District has received the securities purchased. The College District shall release funds only after the safekeeping bank has received the purchased security in the safekeeping account of the College District.

Safekeeping

All securities owned by the College District shall be held by its [third-party](#) Safekeeping Agent. Collateral for financial institution deposits shall be held in a Federal Reserve Bank, a Federal Home Loan Bank, or other custodial institution acceptable to the College District in an account in the College District's name. Original safekeeping receipts shall be obtained and held by the College District. The College District shall contract with a bank or banks for the safekeeping of securities either owned by the College District as part of its investment portfolio or held as collateral to secure financial institution deposits.

Collateralization

Consistent with the requirements of Chapter 2257, Texas Government Code, the Public Funds Collateral Act, the College District shall require full collateralization of non-insured College District funds on deposit with a permitted institution. The College District will accept any collateral permitted by the Public Funds Collateral Act or other state law but, reserves the right, in its sole discretion, to accept or reject any form of insurance or collateralization pledged towards those deposits.

The custodial agreement, with the Federal Reserve Bank, Federal Loan Home Bank or third-party custodian, shall specify the investment securities acceptable as collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities, ownership of securities, and the method of valuation of securities. The agreement shall clearly state that the custodian is instructed to release purchased and collateral securities to the College District in the event the College District has determined that the financial institution has failed to pay on any matured deposit or has determined, in its sole discretion, that the funds of the College District are in jeopardy for any reason, including involuntary closure or change of ownership. A clearly marked pledge receipt shall be supplied to and retained by the College District. Any release of collateral or substitution of securities shall be approved by the primary investment officer and then reported to the College District.

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The College District may accept irrevocable letters of credit issued by the Federal Home Loan Bank as collateral. The value of the letter of credit must equal 100 percent of the principal plus the aggregate amount of accrued interest to be paid on the letter of credit until maturity.

Market Value of
Collateral

For certificates of deposit and other evidence of deposit, the market value of securities pledged as collateral shall always equal or exceed 102 percent or 110 percent in the case of declining principal balances of the principal plus accrued interest of deposits at financial institutions. Irrevocable letters of credit issued by the Federal Home Loan Bank must equal 100 percent of principal and anticipated accrued interest on deposits at financial institutions.

Pledged Collateral
Listing

Financial institutions with whom the College District invests or maintains other deposits shall require the custodian to provide monthly, and more often as requested by the primary investment officers, a listing of the collateral pledged to the College District, marked to current market prices (if available). The listing shall include total pledged securities itemized by name, type, description, CUSIP, par value, current market value, maturity date, and the credit rating, if applicable. The financial institution shall have the sole responsibility for ensuring that the collateral is sufficient.

Collateralized
Deposits

Consistent with the requirements of state law, the College District shall require all financial institution deposits to be federally insured or collateralized. Financial institutions serving as the College District's depositories shall be required to sign a depository agreement with the College District meeting the following criteria:

1. The agreement shall be in writing;
2. The agreement shall be executed by the depository and the College District contemporaneously with the acquisition of the security or other collateral;
3. The agreement shall be approved by the Board of Directors or the Designated Committee of the depository, and a copy of the meeting minutes shall be delivered to the College District; and
4. The agreement shall be part of the depository's official record continuously upon and after its execution.

The collateralized deposit portion of the agreement shall define the College District's rights to the collateral in the event of default,

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bankruptcy, or closing, shall establish a perfected security interest in compliance with federal and state regulations.

**Competitive
Environment**

The College District requires a competitive environment for all individual security purchases and sales, financial institution time deposit and transaction accounts, and money market mutual fund and local government investment pool selections. The vice chancellor of finance and administration shall develop and maintain procedures for ensuring a competitive environment for the investment of the College District's funds.

The College District recognizes that a competitive quote process is not always in the best interest of the College District when market conditions are changing rapidly or a specific type of security, maturity date, or rate of return is sought that might not be easily available.

Performance

The College District's investment portfolio shall be managed in accordance with the parameters specified within this policy. The portfolio shall be designed with the objective to obtain a market rate of return on investments commensurate with investment risk constraints and cash flow requirements of the College District. The dollar-weighted average yield to maturity shall be the standard for calculating portfolio rate of return.

Reporting

The primary investment officers shall submit a signed monthly investment report that complies with the Act, summarizes the investment strategies employed in the most recent month, and describes the portfolio in terms of investment instruments, maturities, risk characteristics, and total investment return for the month.

Compliance Audit

The independent auditor will perform an audit of the investment reports in compliance with the Public Funds Investment Act and report the results to the Board annually and to the state auditor not later than January 1 of each even-numbered year.

Methods

The monthly investment report shall include a succinct management summary that provides a clear picture of the status of the current investment portfolio and transactions made over the past month. This management summary shall be prepared in a manner, which shall allow the College District to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report shall be provided to the Board and shall include the following:

1. A listing of individual instruments held at the end of the reporting period. This list shall include the name of the fund or

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pooled group fund for which each individual investment was acquired;

2. Unrealized gains or losses resulting from appreciation or depreciation by listing the beginning and ending book and market value of instruments for the period. Market values shall be obtained from financial institutions or portfolio reporting services independent from the broker/dealer from which the security was purchased;
3. Fully accrued interest for the reporting period;
4. Listing of investments by maturity date;
5. The percentage of the total portfolio that each type of investment represents; and
6. Statement of compliance of the College District's investment portfolio with state law and the investment strategy and policy approved by the Board.

**Investment Policy
Amendment and
Adoption**

The College District's investment policy shall be adopted by resolution of the Board. The College District shall comply with state law and regulations. The College District's written policies and procedures for investments are subject to review not less than annually to stay current with changing laws, regulations, and the needs of the College District. The Board shall adopt a written instrument that says it has reviewed the investment policy and investment strategies and the written resolution, so adopted, shall record any changes made to the investment policy or strategies.

ACTION ITEM

Meeting Date: December 3, 2025

Consent Agenda

ITEM #	ITEM TITLE	PRESENTER
8.	Proposed Revisions to BFA (Local) and DLA (Local) - SB 37 Related Policies	Dr. Margaret Ford Fisher Dr. Nicole Montgomery Dr. Melissa Mihalick Rodney Nathan

RECOMMENDATION

Approve the revisions to BFA(LOCAL) and DLA(LOCAL) policies, as set forth in the attached materials.

COMPELLING REASON AND BACKGROUND

SB 37 amends existing law relating to the governance of public institutions of higher education, including review of curriculum and certain degree and certificate programs, a faculty council or senate, training for members of the governing board, faculty and administrative leadership hiring decisions, annual evaluation of individuals holding certain leadership positions, the faculty grievance policies, and the establishment, powers, and duties of the Texas Higher Education Coordinating Board Office of the Ombudsman. SB 37 became law during the 89th regular legislative session and requires compliance by higher education institutions, including Houston City College (HCC).

BFA(LOCAL) and DLA(LOCAL)

Annual Evaluation of Individuals holding VP, Provost, Dean, or similar leadership positions that oversees curriculum or student affairs.

LEGAL REQUIREMENT

Senate Bill 37

STRATEGIC ALIGNMENT

1. Student Success, 3. Academic Rigor , 4. Community Investment , 5. College of Choice

ATTACHMENTS:

Description	Upload Date	Type
BFA(LOCAL)	10/23/2025	Attachment
DLA(LOCAL)	11/16/2025	Attachment

This item is applicable to the following: District

CHIEF EXECUTIVE OFFICER
QUALIFICATIONS AND DUTIES

BFA
(LOCAL)

Delegation

To the extent permitted by law, the Chancellor may delegate responsibilities to other employees of the College District but shall remain accountable to the Board for the performance of all duties, delegated or otherwise.

Duties

The Board employs the Chancellor, who is the chief executive officer of the College District, by a written contract, which shall govern the terms of employment. The Chancellor shall recommend the organizational plan for the College District.

The Chancellor has the authority to hire all at-will personnel. Employees with a written contract shall be employed upon Board approval.

The Chancellor performs all duties relating to the day-to-day operations of the College District, including but not limited to, the following:

1. Developing a qualified administrative organization and providing the College District with academic and fundraising leadership;
2. Preparing the annual budget and submitting it to the Board for approval;
3. Establishing administrative relationships among members of the College District community;
4. Overseeing the content, quality, and effectiveness of the curriculum in compliance with ~~Sections 51.3523, 51.315, 51.354, 51.989 of the Texas Education Code and other applicable law determined primarily by College District faculty;~~
5. Appointing Board-reviewed campus committees, as needed, and providing the Board with a semiannual report of the membership of each committee;
6. Preparing the agenda for Board meetings in coordination with the Board Chair and making regular reports to the Board regarding the status of the College District;
7. Promoting College District political effectiveness at the state and local levels;
8. Supervising the development and implementation of a system to evaluate faculty and staff, including procedures relating to the Chancellor's evaluation of the provost, dean, vice president or any similar leadership position that oversees curriculum or student affairs;
9. In coordination with Board Counsel and the College District's General Counsel, assisting the Board in policy development, its yearly self-assessment, and meeting its own training requirements;

CHIEF EXECUTIVE OFFICER
QUALIFICATIONS AND DUTIES

BFA
(LOCAL)

10. Forging a relationship of mutual respect with each Board member;
11. Understanding each college of the College District and its educational needs;
12. Enforcing fiduciary and academic accountability of the College District to the general public;
13. Promoting College District unity at all levels, emphasizing respect for all individuals;
14. Interpreting the College District to the community;
15. Providing the Board members with important information before all others and having background information and research compiled on issues of particular importance to the Board, with sufficient time for study by Board members before a vote;
16. Serving as the official spokesperson for the College District;
17. Maintaining open channels of communication throughout the College District;
18. Handling employee disciplinary issues, including termination when appropriate;
19. In the event of a catastrophe, emergency, or natural disaster affecting the College District, contracting for the replacement, construction, or repair of College District equipment or facilities if emergency replacement, construction, or repair is necessary for the health and safety of College District students and staff; and
20. Enhancing the image and well-being of the College District.

The College District shall regularly evaluate the effectiveness of each employee in accordance with the criteria and procedures developed with employee input and described in administrative regulations.

The Chancellor will annually evaluate:

- the provost, chief academic officer, or other analogous position; and
- any dean, vice president, or other leadership position that oversees curriculum or student affairs. This category refers to administrators with the responsibility to direct or guide others to ensure a satisfactory outcome regarding matters affecting curriculum or student affairs.

The Board authorizes the Chancellor to implement a process for review and approval of the administrator evaluations required by this policy. Evaluations shall be in writing.

By November 1 of each academic year, the Chancellor will provide the Board a list of all individuals (name and title) who will be evaluated by the Chancellor under this policy. The Chancellor also will provide the Board with a copy of the evaluation form that identifies the criteria that will be used.

Following an administrator's evaluation, if the Chancellor makes a decision to remove an administrator from their position (whether through reassignment, nonrenewal, termination, or resignation in lieu of nonrenewal or termination), the Chancellor will notify the Board and provide an oral or written report to the Board at the next regularly scheduled Board meeting.

ACTION ITEM

Meeting Date: December 3, 2025

Consent Agenda

ITEM #	ITEM TITLE	PRESENTER
9.	Proposed Revisions to DC (Local) Employment Practices (SB 37 Related)	Dr. Margaret Ford Fisher Dr. Nicole Montgomery Dr. Melissa Mihalick Rodney Nathan

RECOMMENDATION

Approved the revisions to DC (LOCAL) policy as set forth in the attached.

COMPELLING REASON AND BACKGROUND

SB 37 amends existing law relating to the governance of public institutions of higher education, including review of curriculum and certain degree and certificate programs, a faculty council or senate, training for members of the governing board, faculty and administrative leadership hiring decisions, annual evaluation of individuals holding certain leadership positions, the faculty grievance policies, and the establishment, powers, and duties of the Texas Higher Education Coordinating Board Office of the Ombudsman. SB 37 became law during the 89th regular legislative session and requires compliance by higher education institutions, including Houston City College (HCC).

This item presents an overview of the policies pertaining to SB 37, as listed below:

- **DC (LOCAL) - Employment Practices**
 - (1) The Board's Approval/Denial of Provost, Vice President, or Dean and
 - (2) Faculty and Administrative Leadership Hiring Decisions

LEGAL REQUIREMENT

Senate Bill 37

STRATEGIC ALIGNMENT

1. Student Success, 3. Academic Rigor , 4. Community Investment , 5. College of Choice

ATTACHMENTS:

Description	Upload Date	Type
DC (Local)	11/24/2025	Attachment

This item is applicable to the following: District

EMPLOYMENT PRACTICES

DC
(LOCAL)

Hiring Practices

The Board shall not support preferential treatment in any employment practice. Hiring policies and practices shall be administered fairly and equitably.

Posting Vacancies

The Chancellor or designee shall establish guidelines for advertising employment opportunities and posting notices of vacancies. These guidelines shall advance the Board's commitment to equal opportunity employment and to recruiting well-qualified candidates. Current College District employees may apply for any vacancy for which they have appropriate qualifications.

Applications

All applicants shall complete the application form supplied by the College District. Information on applications shall be confirmed before a contract is offered for a contractual position and before hiring or as soon as possible thereafter for a noncontractual position.

**Employment of
Contractual
Personnel**

The Board may establish separate procedures and criteria for hiring the Chancellor. ~~Full-time F~~faculty and ~~qualifying~~ senior-level administrative staff who are classified as E40 and above shall be employed pursuant to written employment and contractual agreements. The Chancellor has sole authority to make recommendations to the Board regarding the selection of contractual personnel.

The Board retains final authority for employment of contractual personnel. [See DCA]

*Employment of
Provost (or Similar
Position)*

The Board shall approve or deny the hiring, promotion, or contract renewal of an individual for provost, chief academic officer, or similar position, whether interim or permanent, and including a deputy, associate, or assistant provost. At least ~~five~~ seven business days prior to the Board meeting at which the individual will be considered, the Chancellor or designee will provide members of the Board of Trustees with the following: (i) the individual's curriculum vitae; (ii) a memorandum reflecting the Chancellor's recommendation regarding the individual's employment, promotion, or renewal; (iii) a factual summary of the selection process regarding the hiring or promotion, if applicable; and (iv) any other documents identified by the Board.

By October 1 of each calendar year, the Board will submit to the governor, lieutenant governor, the speaker of the Texas House of Representatives, and each member of the Legislature a report regarding its approval or denial of the hiring, promotion, or contract renewal an individual for the position of provost, chief academic officer, or similar position, including a deputy, associate, or assistant provost.

**Employment of
Noncontractual
Personnel**

The Board delegates to the Chancellor final authority to employ and dismiss noncontractual employees on an at-will basis. ~~See~~ [See DCC]

**Employment of
Certain Law
Enforcement
Personnel**

The Chancellor or designee and the College District police department shall develop regulations, in accordance with law, for the employment of peace officers and telecommunicators. The regulations shall address:

1. The investigation of the applicant's background;
2. Medical and psychological examination and drug screening of the applicant;
3. The applicant's qualification to carry a firearm, if applicable;
4. A provisional hiring period applicable upon employment; and
5. The submission of any required forms to the Texas Commission on Law Enforcement (TCOLE).

Employment Offer

The Chancellor or designee shall have the sole authority to communicate an offer of employment. Oral representations by College District personnel ~~other than the Chancellor or designee~~ are not binding on the Board or the College District. The Chancellor shall designate in writing those individuals who are authorized to communicate employment offers.

An offer of employment does not create a property interest in employment. The Board may rescind a contract ~~to~~ offer any time prior to the execution of a written contract by the candidate and the College District's authorized representative.

Contract Renewal

Contracted employment for one or more years does not create any entitlement to employment beyond the current term of the current contract. Renewal of a contract shall not be automatic. Continued employment on a contractual basis requires approval by the Chancellor and execution of a new contract by the affected employee. Renewal of contract of an employee who is serving as provost, chief academic officer, or similar position, including a deputy, associate, or assistant provost, requires Board approval.

ACTION ITEM

Meeting Date: December 3, 2025

Consent Agenda

ITEM #	ITEM TITLE	PRESENTER
10.	Proposed Revisions to DGBA (Local) Personnel Management Relations: Employee Grievances (SB 37- Related)	Dr. Margaret Ford Fisher Dr. Nicole Montgomery Dr. Melissa Mihalick Rodney Nathan

RECOMMENDATION

Approve the revisions to DGBA (Local) Personnel Management Relations: Employee Grievances, as set forth in the attached.

COMPELLING REASON AND BACKGROUND

SB 37 amends existing law relating to the governance of public institutions of higher education, including review of curriculum and certain degree and certificate programs, a faculty council or senate, training for members of the governing board, faculty and administrative leadership hiring decisions, annual evaluation of individuals holding certain leadership positions, the faculty grievance policies, and the establishment, powers, and duties of the Texas Higher Education Coordinating Board Office of the Ombudsman. SB 37 became law during the 89th regular legislative session and requires compliance by higher education institutions, including Houston City College (HCC).

DGBA (LOCAL) addresses personnel-management relations, specifically the processes for handling employee grievances, in accordance with applicable policies and SB 37 requirements.

LEGAL REQUIREMENT

Senate Bill 37

STRATEGIC ALIGNMENT

1. Student Success, 3. Academic Rigor , 4. Community Investment , 5. College of Choice

ATTACHMENTS:

Description	Upload Date	Type
Overview of Revised DGBA(LOCAL)	11/16/2025	Presentation
DGBA(LOCAL) Policy	11/16/2025	Attachment

This item is applicable to the following: District

BACKGROUND

POLICY DGBA (LOCAL) – EMPLOYEE GRIEVANCE PROCEDURE

CURRENT PROCESS	AMENDED PROCESS
Informal Process Level 1: Informal resolution with supervisor Level 1: Informal resolution with next-level supervisor <i>Talent Engagement Facilitates Investigations As Needed</i> Formal Process Level 1: Vice Chancellor, President, or administrative equivalent makes a decision Level 2: Review panel makes a decision Level 3: Chancellor or designee Level 4: Board of Trustees	Informal Process Level 1: Informal resolution with supervisor Level 1: Informal resolution with next-level supervisor <i>Talent Engagement Facilitates Investigations As Needed</i> Formal Process: Non-Faculty Level 1: Vice Chancellor, President, or administrative equivalent makes a decision Level 2: Review panel makes a decision Level 3: Permissive appeal to the chancellor or designee who will render a final decision Formal Process: Faculty Level 1: Vice Chancellor, President, or administrative equivalent makes a <i>recommendation</i> Level 2: Review panel makes a <i>recommendation</i> Level 3: Automatic review by the Chancellor or designee for final decision-making Faculty nonrenewals and terminations will be handled under DMAA and DMAB, not DGBA.

Grievance Process will have a faculty track and non-faculty track.

No formal Level 4 appeal, but employees may petition in writing or address the board during the public forum at board meetings.

RELEVANT LAWS

Texas Government Code: Public employees may present grievances “concerning their wages, hours of employment, or conditions of work either individually or through a representative that does not claim the right to strike.” TEX. GOV’T CODE 617.005.

Faculty Grievances (Senate Bill 37): States that “only” the chancellor, provost, or their designees “may be involved in decision-making regarding review of a faculty grievance, including under Section 51.960, or the faculty discipline process.” TEX. EDUC. CODE 51.9431(b).

Faculty Nonrenewals and Terminations: A faculty member has a right to present a grievance, in person, “to a member of the institution’s administration” on an issue related to the nonrenewal or termination of the faculty member’s employment. “An institution may adopt a method for presenting, reviewing, and acting on a grievance filed under this section.” TEX. EDUC. CODE 51.960.

Texas Constitution: Citizens may petition the government for redress of grievances. TEX. CONST., art. I, § 27.

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Guiding Principles

The Board encourages employees to discuss their concerns with their supervisor or other appropriate administrator who has the authority to address the concerns.

As used in this policy, the term "policy" shall include the corresponding legal policy code and regulation code.

Complaints

In this policy, the terms "complaint" and "grievance" shall have the same meaning. A complaint or grievance is defined as an unresolved issue concerning the application of College District policy, practice, or regulation **that affects a term or condition of the employee's own employment**. This includes disciplinary action. **This policy may be used to assert a** ~~G~~complaints regarding compensation and classification ~~are grievable~~ only if a violation of federal ~~or~~, state ~~law, or local equal opportunity or labor laws~~ is alleged. ~~All~~ ~~Other employee concerns~~ ~~complaints of this nature~~ are handled administratively **through the employee's regular chain of command**.

Freedom from Retaliation

Neither the Board nor any College District employee shall retaliate against an employee for bringing a **good-faith** concern, ~~or~~ complaint, ~~or grievance in good faith~~.

Whistleblower Complaints

The Board prohibits retaliation against any employee who reports violations of law, the College District's **Employee Standards** ~~Code~~ of Conduct **[See DH]**, policies, rules, or regulation.

The College District shall not suspend or terminate the employment of, or take other adverse personnel action against, an employee who in good faith reports a violation of law by the College District or another public employee to an appropriate law enforcement authority.

Whistleblower complaints shall be filed within the time specified by law. Such complaints shall first be filed in accordance with Level Three, below. Timelines for the employee and the College District set out in this policy may be shortened to allow the Board to make a final decision within 60 days of the initiation of the complaint. **[See DG]**

Complaints Against Administrators

If a Level One administrator is the subject of a complaint under this policy, or is the supervisor at the informal resolution conference, the chief financial officer will serve as the Level One administrator. If the chief financial officer is the subject of a complaint alleging a violation of law or policy, the chief academic officer will serve as the Level One administrator.

Complaints Against Chancellor or Board Member

Complaints alleging a violation of law or policy by the Chancellor or a Board member may be made to the Board Chair, or to the Vice Chair if the complaint is against the Board Chair.

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The Chair or Vice Chair will undertake a process to resolve the complaint.

The Chair or Vice Chair may initiate an independent investigation of a written complaint after receiving approval from a majority of the Board. Upon approval, the Chair or Vice Chair shall consult with Board Counsel, and then ~~appoint~~^{name} an independent third party to investigate the complaint within the ~~scope~~^{parameters} set by the Board. Further, the Chair or Vice Chair shall provide regular updates to the Board through the named investigator.

If the Chair or Vice Chair finds that a Board member has violated a law or College District policy, the Board can reprimand or censure the Board member, or apply any other sanction available under Texas law.

If the Chair finds that the Chancellor has violated a law or College District policy, the Board can take appropriate disciplinary action, up to and including termination of employment.

**Complaints By or
Against Faculty**

This policy applies to complaints involving faculty. The term “faculty” applies to any person whose primary duties include the instruction of students. When a faculty member is a grievant or respondent, no faculty member may be involved in decision-making regarding the complaint. The final decisionmaker for a faculty complaint shall be the chancellor, chief academic officer, or their designees.

**Other Complaint
Processes**

Employee complaints shall be filed in accordance with this policy, except as required by the policies listed below:

1. Complaints alleging ~~sexual~~ discrimination, harassment, and retaliation – sex and sexual violence. [See DIAA(LOCAL)]
2. Complaints alleging discrimination, harassment, and retaliation – other protected characteristics. [See DIAB(LOCAL)]
3. Complaints alleging violation of veteran’s preference law. [See DC(REGULATION)]
4. Complaints concerning an employment preference for former foster children. [See DC(REGULATION)] May be appealed starting at Level One of DGBA(LOCAL) after relevant complaint process is exhausted.
5. Complaints concerning a commissioned peace officer who is an employee of the College District. [See CHA(LOCAL)] May be appealed starting at Level Four of DGBA(LOCAL) after relevant complaint process is exhausted.

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6. Complaints arising from the dismissal ~~or nonrenewal~~ of contract faculty members and other non-faculty/contract employees (Termination Mid-Contract and Non-Renewal of Faculty Contract). [See DMAA(LOCAL), DMAA(REGULATION), and ~~DMAB (LOCAL) and DMAB (REGULATION)]~~ ~~May be appealed starting at Level Four of DGBA(LOCAL) after relevant complaint process is exhausted.~~

~~7. Complaints concerning the nonrenewal of contract faculty members. [See DMAB(LOCAL) and DMAB(REGULATION)] May be appealed starting at Level Three of DGBA(LOCAL) after relevant complaint process is exhausted.~~

Notwithstanding Other Complaint Processes ~~4-5~~, as described above, the College District Police Department General Orders Grievance Procedure shall be the complaint procedure available to College District peace officers and unless otherwise mandated by law, an appeal may be presented to the Board at Level Four of DGBA(LOCAL) after the relevant complaint process is exhausted.

**Ethics and
Compliance Hotline**

The College District is committed to creating an environment with the highest ethical standards where occupational fraud, waste, abuse, and other improprieties are not tolerated.

~~Effective December 1, 2016,~~ The College District shall provide an Ethics and Compliance Hotline as an additional mechanism to encourage the reporting of alleged:

1. Noncompliance of laws;
2. Noncompliance with College District policies, regulations, or ~~Standards -Code~~ of Conduct [see DH]; and
3. Occupational fraud, waste, ~~or~~and abuse.

Timing

"Days" shall mean College District business days, unless otherwise noted. The primary purpose of the complaint resolution process is to resolve concerns in an expeditious manner. The timelines set forth at each level of the process are maximums and, whenever possible, the decision-maker should render a decision or resolution within a shorter period of time. All time limits shall be strictly followed unless modified by mutual written consent. Notwithstanding, time limits may be extended for circumstances such as investigations or the unavailability of key personnel due to leave, absence, emergency closures, holidays, or semester breaks.

~~Should~~ The College District's ~~failure~~ to comply with the timelines set forth in this policy, ~~its failure to do so shall~~ not constitute a ~~separate~~ violation of the employee's rights unless the ~~failure causes~~ substantial prejudice to the grievant. A failure to comply with the

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	timelines is not a separate violation when the failure was the result of extenuating circumstances or was an agreed upon extension. action in question occurs more than ten days after the time when it should have occurred or is a result of a time extension permitted within this policy or by mutual agreement. If a complaint form or appeal notice is not timely filed, the complaint may be dismissed, on written notice to the employee, at any point during the complaint process.
Informal Resolution Process	Each The affected employee and the administration are required to make all reasonable efforts to resolve a complaint through informal discussion before resorting to the formal complaint/appeal process. The informal resolution process cannot be waived.
Level One: Informal Resolution with Supervisor	The employee shall make his or hertheir concern known to the lowest level supervisor having authority to resolve theirhis or her complaint within ten days of the date the employee first knew or should have known of the decision or action giving rise to theirhis or her complaint or grievance. Informal discussions shall occur within ten days of the employee informing the supervisor of thehis or her complaint. Each subsequent discussion, if necessary, will involve the next level supervisor. Either party (supervisor or employee) may employ the assistance of Talent Engagement by requesting an informal resolution conference on a form provided by the College District. [See DGBA(REGULATION)] Talent Relations may be present for the informal resolution meeting with the supervisor.
Level Two: Informal Resolution Conference with 2nd Level Supervisor	The use of the informal resolution conference is to promote understanding, reconciliation, and a settlementresolution of a complaint. The party requesting the informal resolution conference must submit the request to the director of talent relations no more than five days from the date of the employee's meeting with theirhis or her supervisor or next level supervisor and must identify the conflict and the desiredexpected outcome of the conference. The executive director of talent relations will schedule the resolution conference with the identified parties on the request form [see DGBA(REGULATION)] to be held within five days of receiving the request. Talent Relations may be present for the informal resolution conference with the supervisor. Attempts to resolve a complaint through informal resolution will end when the complaint is resolved or when it is determined that it cannot be resolved through informal resolution.

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Formal Process

If a complaint is not resolved through the informal complaint process, an employee may, but is not required to, proceed with a formal complaint. An employee may initiate the formal process described below by timely filing a written complaint form. Even after initiating the formal complaint process, employees are encouraged to seek informal resolution of their concerns. An employee whose concerns are resolved may withdraw a formal complaint at any time.

Written
Documentation

An employee's ~~G~~complaints, appeals, and any written communications or decisions from the appropriate administrator or ~~from~~ Talent ~~e~~Engagement ~~(response)~~ under this policy shall be submitted in writing on a form provided by the College District. [See DGBA(REGULATION)] Copies of any documents that support the complaint should be attached to the complaint. If the employee does not have copies of these documents, they may be presented at the Level One conference. After the Level One response, no new documents may be submitted by the employee unless the employee, *despite the exercise of reasonable diligence*, did not know *about* the documents *and/or could not obtain access to the documents* ~~existed~~ before the Level One conference.

A complaint or appeal form that is incomplete in any material aspect may be dismissed but may be refiled with all the required information if the refiled is within the designated time for filing. A complaint or appeal form may only be refiled once.

Responses may be hand-delivered, sent by electronic communication to the employee's email address of record, or sent by U.S. Mail to the employee's mailing address of record. Mailed responses shall be timely if they are postmarked by U.S. Mail on or before the deadline.

Representative

The employee may designate a representative at ~~his or her~~their own cost, such as an attorney or organization that does not claim the right to strike, through written notice to the College District at any level of this process. If an employee representative is designated within three days of a scheduled conference or hearing, the College District may reschedule the conference or hearing to a later date in order to include the College District's counsel. The College District may be represented by counsel at any level of the process.

Investigator

Talent ~~e~~Engagement will ~~conduct~~coordinate all necessary complaint investigations under this policy. The College District retains the right to employ the services of a third-party investigator, *including an attorney*, at any time during the formal complaint resolution process. *An investigation may include review of relevant docu-*

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Consolidating
Complaints

ments, electronically stored information, and tangible evidence; interviews with the grievant, respondent, or other witnesses; inspection of a workspace; and other evidence-gathering to understand the issues in the complaint and to evaluate potential remedies.

Complaints arising out of ~~an~~-related events or a series of related events shall be addressed in one complaint. Employees shall not file separate or serial complaints arising from any event or series of events that have been or could have been addressed in a previous complaint.

When two or more complaints are sufficiently similar in nature and remedy sought to permit their resolution through one proceeding, the College District may consolidate the complaints. In addition, when two or more employees file separate grievances or complaints that involve common questions of fact, law, or policy, the College District may consolidate the complaints for purposes of investigation or for purposes of investigation and resolution, so long as no party is prejudiced.

Designation of
Administrators

The administrator levels are designated as follows:

Non-Faculty complaints

1. The Level One administrator shall be ~~the~~-a Vice Chancellor, President, or administrative equivalent. If the Level One administrator is the General Counsel, a designee may be appointed to serve as the Level One administrator.
2. The Level Two administrator shall be the Review Panel.
- ~~4.~~3. The Level Three administrator shall be the Chancellor or designee.

~~2. The Level Four administrator shall be the Board.~~

Faculty complaints

1. The Level One administrator shall be a Vice Chancellor, President, or administrative equivalent. If the Level One administrator is the General Counsel, a designee may be appointed to serve as the Level One administrator.
2. The Level Two administrator shall be the Review Panel which shall prepare a recommendation for the Level Three administrator.

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Mediation	3. The Level Three administrator shall be the Chancellor, chief academic officer, or their designees. The College District may recommend, or the parties may request, mediation to the employee, at Level One, Level Two, or Level Three in lieu of continuing with the formal grievance or appeal process, in an attempt to resolve the employee's complaint or grievance. Participation in mediation is voluntary. Mediation will proceed only if all parties to the complaint are willing to participate in the mediation process. Agreements reached during mediation are binding on all parties and will close the complaint process. If mediation fails to resolve the complaint, the employee may resume the formal complaint resolution process by submitting an appeal form to the executive director of talent relations within five days following the conclusion of the mediation process. The executive director of talent relations shall notify the appropriate level administrator and follow the process beginning at the appropriate level. The day(s) during which the parties are participating in the mediation process will not be included in the calculation of deadlines in this policy.
Level One	Formal written complaints must be filed: 1. Within seven days of the date the employee completes the informal complaint process. 2. With the executive director of talent relations. A complaint must contain: 1. An explanation of the employee's specific concern; 2. A factual description of how the employee's employment has been affected; 3. The law, policy, and/or regulation that has been violated; and 4. A description of the relief the employee is seeking. Upon review of a complaint, the College District reserves the right to process the complaint under a separate, more applicable policy. The College District will provide written notice of any affected parties if a different policy will be used to process the complaint. The executive director of talent relations or designee shall review the complaint and, shall forward the complaint to the Level One administrator within five days after receipt of the written complaint.

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The Level One administrator shall review the complaint and schedule a conference with the employee to be held within seven days after receipt of the written complaint *or upon a mutually agreeable date*. The Level One administrator shall provide the employee a written response within five days following the conference.

Non-Faculty Complaints: The Level One administrator may request relevant information from the employee or the administration to understand the issues in the complaint. The Level One administrator will issue ~~The-a~~ written response *with findings based on relevant evidence and shall* set forth the basis of the decision. In reaching a decision, the Level One administrator may consider information provided at the Level One conference and any other relevant ~~documents or~~ information the Level One administrator believes will help resolve the complaint.

Faculty Complaints: The Level One process for faculty is the same as for non-faculty; however, the Level One administrator's written response shall consist of findings and a recommendation to resolve the dispute.

Level Two

Level Two Non-Faculty Complaints:

If an employee did not receive the relief requested at Level One, the employee may request the complaint be heard by a review panel to appeal the Level One decision, which shall be convened under the direction of the *executive* director of talent relations.

The appeal notice must be filed in writing within seven days of the date of the written Level One response or, if no response was received, within seven days of the Level One response deadline. The appeal notice must be filed with the *executive* director of talent relations, with a copy provided to the Level One administrator. *The appeal shall identify all points of disagreement with the Level One response.*

After receiving notice of the appeal, the Level One administrator shall prepare and forward a record of the Level One complaint *and written decision* to the review panel. The employee may request a copy of the Level One record.

The Level One record shall include:

1. The original written complaint and any attachments.

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2. All other documents submitted by the employee at Level One.
3. The written response issued at Level One and any attachments.
4. All other documents relied upon by the Level One administrator in reaching the Level One decision.

Level Two Faculty Complaints:

If the faculty member agrees with the recommendation of the Level One administrator, the faculty member will notify the executive director of talent relations within seven days of the written Level One response. The executive director of talent relations will transmit the Level One record (defined above) to the Level Three administrator for review and final disposition.

If the faculty member disagrees with the recommendation of the Level One administrator, the faculty member may file an objection with the executive director of talent relations within seven days of the written Level One response or, if no response was received, within seven days of the Level One response deadline. The employee's objection shall identify all points of disagreement with the Level One response.

The Level One administrator shall prepare and forward a record of the Level One complaint and recommendation to the review panel. The Level One record is defined above.

Review Panel

The review panel shall consist of three impartial members who are employed by the College District in units outside the department of the grieving employee ~~and~~, who have been trained in reviewing and investigating complaints and grievances. The review panel shall review the Level One record, ~~investigate the grievance~~, and conduct a hearing. Every reasonable effort shall be made to hold a hearing within 15 working days after the appeal notice or faculty objection is filed.

The hearing shall be a non-adversarial process that will review the facts and provide an opportunity for the employee to present his or her position fully and thoroughly. The employee shall have an opportunity to discuss the ~~present~~ evidence in the record and invite witnesses to appear at the hearing; the respondent, if any, shall also have the opportunity to appear and discuss the ~~present~~ evidence in the record and invite witnesses to appear at the hearing. The hearing shall be limited to the issues and documents considered at Level One. The review panel shall set reasonable time restrictions.

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	A written response by the review panel will be forwarded to the executive director of talent relations within ten days of the completion of a hearing. In cases involving non-faculty complaints, the review panel shall make a decision and prepare a The written response shall setting forth the basis of the decision. In reaching a decision, the review panel may consider the Level One record and information provided at the Level Two hearing. The executive director of talent relations shall forward the review panel response to the Level One administrator and employee within five days of receiving the response. In cases involving faculty complaints, the review panel shall make a recommendation and prepare a written response setting forth the basis of the recommendation. The review panel may consider the Level One record and information provided at the Level Two hearing. The executive director of talent relations shall forward the review panel response to the Level One administrator and employee within five days of receiving the response.
Level Three	Non-Faculty Complaints. If the employee did not receive the relief requested at Level Two, the employee may appeal the decision to request a conference with the Level Three administrator to appeal the Level Two decision. The appeal notice must be filed in writing within seven days of the date of the written Level Two response or, if no response was received, within seven days of the Level Two response deadline. The appeal notice must be filed with the executive director of talent relations. After receiving notice of the appeal, the executive director of talent relations shall prepare and forward a record of the Level Two complaint to the Level Three administrator. The employee may request a copy of the Level Two record. The Level Two record shall include: 1. The Level One record. 2. The written response issued at Level Two and any attachments. 3. All other documents relied upon by the review panel in reaching the Level Two decision. The Level Three administrator may schedule a conference with the employee if the administrator determines that a conference will aid

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the review process. The Level Three administrator may accept, reject, or modify the decision of the review panel or take other administrative action appropriate to resolve the dispute. The Level Three administrator may consider the Level One and Level Two records and information provided at the Level Three conference, if a conference is held.

The Level Three administrator will prepare a written disposition within 15 days of receipt of the appeal or within 15 days of the administrator's meeting with the employee, if a meeting regarding the appeal is held. If the Level Three administrator needs additional time, the administrator shall notify the employee of the amount of time reasonably needed for the review.

When evaluating whether to accept, reject, or modify the decision, the Level III administrator will consider whether objections based on procedural error or misapplication of the law or policy were material and whether the error was harmless. A decision by the Level III administrator may be remanded for further consideration upon a finding that it was not made in accordance with applicable state or federal law, policy, or College District regulations; provided, however, that the decision should will not be remanded if the procedural error was not material to the decision and therefore constituted harmless error.

The Level Three decision is final; however, the employee may address the Board of Trustees at the next regular meeting in accordance with the provision for hearing of citizens.

~~The Level Three administrator shall schedule a conference with the employee to be held within ten days after the appeal notice is filed. The conference shall be limited to the issues and documents considered at Level Two. The Level Three administrator may set reasonable time limits for the conference.~~

~~The following provisions shall govern the review by the Level Three administrator of an appeal under this policy:~~

- ~~1. A decision may be remanded for further consideration upon a finding that it was not made in accordance with applicable state or federal law, policy, or College District regulations; provided, however, that the decision should not be remanded if the procedural error was not material to the decision and therefore constituted harmless error.~~
- ~~2. A decision may be modified or reversed only upon a finding that the decision constituted an abuse of discretion or was made in violation of applicable state or federal law, or policy; provided, however, that the decision should not be modified or reversed if the violation of policy was not material to the decision and therefore constituted harmless error.~~

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~~3. A decision should be affirmed in the absence of a finding of abuse of discretion or material violation of applicable state or federal law or institutional policies or regulations.~~

~~Notwithstanding any provision herein to the contrary, any decision may be remanded by the Level Three administrator for a resolution of the matter which is mutually acceptable to the parties or which is, in the best judgment of the Level Three administrator, a fair and equitable resolution.~~

~~The Level Three administrator shall provide the employee a written response within ten days following the conference. The written response shall set forth the basis of the decision. In reaching a decision, the Level Three administrator may consider the Level One and Level Two records, and information provided at the Level Three conference.~~

Faculty Complaints. In all cases involving a faculty complaint, the executive director of talent relations will automatically transmit the Level Two recommendation to the Level Three administrator for review and final disposition. In addition, the executive director of talent relations will provide the Level Three administrator with the record developed at Level One and Level Two. The record will be transmitted to the Level Three administrator within seven days after the review panel issues its recommendation.

The affected faculty member may submit a written statement regarding the Level Two recommendation. Any such statement shall be provided to the Level III administrator within seven days after the review panel issues its recommendation.

The Level Three administrator may schedule a conference with the faculty member if the administrator determines that a conference will aid the review process. The Level Three administrator may accept, reject, or modify the recommendation of the review panel or take other administrative action appropriate to resolve the dispute. The Level Three administrator may consider the Level One and Level Two records and information provided at the Level Three conference, if a conference is held.

The Level Three administrator will prepare a written disposition within 15 days of receipt of the record or within 15 days of the administrator's meeting with the faculty member, if a meeting is held. If the Level Three administrator needs additional time, the administrator shall notify the faculty member of the amount of time reasonably needed for the review.

When evaluating whether to accept, reject, or modify the recommendation, the Level III administrator will consider whether objections based on procedural error or misapplication of the law or policy were material and whether the error was harmless. The Level III

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administrator may remand for further investigation or if the administrator determines that proceedings at Level One or Level Two did not comply with applicable state or federal law, policy, or College District regulations; provided, however, the matter will not be remanded if the procedural error was not material and constituted harmless error.

The Level Three decision is final; however, the employee may address the Board of Trustees at the next regular meeting in accordance with the provision for hearing of citizens.

Level Four

~~If the grievance is still unresolved and it involves an allegation of a violation of state or federal law, or a College District policy or regulation, including a violation of this policy, the grievance may be appealed to the Board. All other matters may be presented to the Board at the hearing of citizens. [See BDB]~~

~~The appeal notice must be filed in writing within ten days of the date of the written Level Three response or, if no response was received, within ten days of the Level Three response deadline. The appeal notice must be filed with the director of talent relations, with a copy provided to the Level Three administrator.~~

~~The director of talent relations shall inform the employee of the date, time, and place of the Board meeting at which the complaint will be on the agenda for review by the Board. The Board shall review the complaint and appeal on the basis of the Level Three record developed by the College District.~~

~~The chief human resources officer or designee shall provide the Board with a record of the Level Three complaint and present the Level Three record to the Board. The employee may request a copy of the Level Three record.~~

~~The Level Three record shall include:~~

- ~~1. The Level One record.~~
- ~~2. The Level Two record.~~
- ~~3. The written response issued at Level Three and any attachments.~~
- ~~4. All other documents relied upon by the Level Three administrator in reaching the Level Three decision.~~

~~The Board shall review the Level Three record in accordance with the Texas Open Meetings Act and other applicable law. The Board~~

PERSONNEL-MANAGEMENT RELATIONS
EMPLOYEE GRIEVANCES

DGBA
(LOCAL)

	may ask clarifying questions regarding the Level Three record of either party. [See BDA] The following provisions shall govern the review by the Board of an appeal under this policy: A decision may be remanded for further consideration upon a finding that it was not made in accordance with applicable state or federal law, policy, or College District regulations; provided, however, that the decision should not be remanded if the procedural error was not material to the decision and therefore constituted harmless error. A decision may be modified or reversed only upon a finding that the decision constituted an abuse of discretion or was made in violation of applicable state or federal law, or policy; provided, however, that the decision should not be modified or reversed if the violation of policy was not material to the decision and therefore constituted harmless error. A decision should be affirmed in the absence of a finding of abuse of discretion or material violation of applicable state or federal law or institutional policies or regulations. Notwithstanding any provision herein to the contrary, any decision may be remanded by the Board for a resolution of the matter which is mutually acceptable to the parties or which is, in the best judgment of the Board, a fair and equitable resolution. The Board shall give notice of its decision orally or in writing at any time up to and including the next regular Board meeting that occurs at least 15 days after the notice of appeal is received. If there is no action taken by the Board during the meeting where the complaint is on the Board meeting agenda, the Level Three response is deemed upheld.
Maintenance of Records	Copies of written grievances and complaints, accompanying responses, documentation, and recordings should be maintained in accordance with the College District records retention regulations in the employee relations file within Talent Engagement. [See CIA and DBA]
Effective Date	This policy shall be effective as of the adoption date, December November __, 2025August 7, 2019.

ACTION ITEM

Meeting Date: December 3, 2025

Consent Agenda

ITEM #	ITEM TITLE	PRESENTER
11.	Proposed Revisions to DIAA (Local) and DIAB (Local) - SB 37 Related Policies	Dr. Margaret Ford Fisher Dr. Nicole Montgomery Dr. Melissa Mihalick Rodney Nathan

RECOMMENDATION

Approve the revisions to DIAA (LOCAL) and DIAB (LOCAL) as set forth in the attached.

COMPELLING REASON AND BACKGROUND

SB 37 amends existing law relating to the governance of public institutions of higher education, including review of curriculum and certain degree and certificate programs, a faculty council or senate, training for members of the governing board, faculty and administrative leadership hiring decisions, annual evaluation of individuals holding certain leadership positions, the faculty grievance policies, and the establishment, powers, and duties of the Texas Higher Education Coordinating Board Office of the Ombudsman. SB 37 became law during the 89th regular legislative session and requires compliance by higher education institutions, including Houston City College (HCC).

This item provides an overview of revisions to DIAA (LOCAL) and DIAB (LOCAL) policies to ensure compliance with SB 37:

- **DIAA (Local):** Sex Discrimination, Sex Harassment, and Related Conduct
- **DIAB (Local):** Discrimination Based on Race, Religion & Other Classes

LEGAL REQUIREMENT

Senate Bill 37

STRATEGIC ALIGNMENT

1. Student Success, 3. Academic Rigor , 4. Community Investment , 5. College of Choice

ATTACHMENTS:

Description	Upload Date	Type
Overview of Revised DIAA & DIAB	11/16/2025	Presentation
DIAA(LOCAL) Policy	11/16/2025	Attachment
DIAB(LOCAL) Policy	11/16/2025	Attachment

This item is applicable to the following: District

PROPOSED AMENDMENTS TO DIAA AND DIAB (LOCAL)

DIAA (Local) – Sex Discrimination, Sex Harassment, and Related Conduct

- DIAA is HCC's primary grievance policy for addressing sex discrimination, sexual harassment, and sexual violence, including sexual assault and dating violence.
- DIAA was reviewed for compliance with Senate Bill 37, which states that "only" the chancellor, provost, or their designees "may be involved in decision-making regarding review of a faculty grievance." DIAA clarifies that grievances involving faculty will be channeled to the chancellor (or designee) for final decision-making.
- Other general updates also were made, including:
 - The policy was amended to add and update definitions of key terms including "criminal sexual contact," "consent," and "incapacitation." The draft adds discrimination on the basis of pregnancy and related conditions as a type of sex discrimination.
 - Due to procedural differences in the requirements for investigating sexual misconduct claims in contrast to sexual discrimination claims, DIAA was clarified to distinguish the processes that will apply.
 - The policy clarifies the provisions on consolidation of complaints and how and when supportive measures will be offered to the parties.

DIAB (Local) – Discrimination Based on Race, Religion & Other Classes

- DIAB is HCC's grievance policy for addressing discrimination and harassment complaints based on race, national origin, disability, religion, age, genetic information, and other legally protected classes other than sex.
- DIAB was reviewed for compliance with Senate Bill 37, which states that "only" the chancellor, provost, or their designees "may be involved in decision-making regarding review of a faculty grievance." DIAB clarifies that grievances involving faculty will be channeled to the chancellor (or designee) for final decision-making.
- Additional general updates also were made, including:
 - The amended policy updates the definition of "retaliation" to conform to the legal standard.
 - The amended policy clarifies the investigation process so that it is similar to the general investigation process under DIAA.

FREEDOM FROM DISCRIMINATION, HARASSMENT, AND RETALIATION
SEX AND SEXUAL VIOLENCE

DIAA
(LOCAL)

	Note: This policy addresses employee complaints of sex and gender discrimination, including to include gender identity and gender expression, sexual harassment, sexual assault, and other sex-based discrimination. dating violence, domestic violence, stalking, and retaliation targeting employees. Complaints of discrimination and harassment based on race, national origin, disability, age, and protected status other than sex are addressed in DIAA (LOCAL). For additional legally referenced material relating to discrimination, harassment, and retaliation, see DAA(LEGAL). Discrimination, harassment, and retaliation complaints by students are addressed in For sex discrimination, sexual harassment, sexual violence, dating violence, domestic violence, stalking, and retaliation targeting students, see FFDA and FFDB.
Statement of Nondiscrimination	The College District prohibits discrimination, including harassment, against any individual(s) on the basis of race, color, religion, national origin, age, veteran status, disability, sex, sexual orientation, gender, to include gender identity, pregnancy, childbirth, and related conditions, and gender expression, or any other basis prohibited by law. Retaliation against anyone involved in the complaint process is a violation of College District policy and is prohibited. This policy prohibits sex discrimination and sex-based harassment in all College District programs and activities regardless of location and applies to all work sites (whether or not owned by the College District), including all College District facilities, work-related travel, and work vehicles. The prohibition encompasses conduct that occurs in a non-work context but that causes a hostile work environment, including electronic communications transmitted using a personal electronic device. Trustees, administrators, faculty, staff, agents of the College District, campus visitors, and independent contractors providing service to the College shall not engage in conduct prohibited by this policy. Employees who engage in such conduct are subject to disciplinary action up to and including termination, while visitors, contractors, and guests who engage in such conduct are subject to removal from campus.
Definitions	
Employee	“Employee,” solely for purposes of this policy, includes current full-time and part-time employees, former employees, applicants for employment, and unpaid interns.
Sex or Gender	“Sex” or “gender,” as used in this policy, includes sex, sexual orientation, gender, gender identity, and discrimination on the basis of pregnancy, childbirth, and related conditions. gender expression. In

FREEDOM FROM DISCRIMINATION, HARASSMENT, AND RETALIATION
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Consent

addition, the College District prohibits policies and practices concerning an employee's parental status, family status, or marital status that treat the employee differently on the basis of sex.

"Consent" means a voluntary, mutually understandable agreement that clearly indicates a willingness to engage in each instance of sexual activity. Consent to one act does not imply consent to another. Consent to engage in sexual activity with one person does not imply consent to engage in sexual activity with another. Consent can be withdrawn at any time. Any expression of an unwillingness to engage in any instance of sexual activity establishes a presumptive lack of consent.

Consent is not effective if it results from:

1. The use of physical force;
2. A threat of physical force;
3. Intimidation;
4. Coercion;
5. Incapacitation (including through the voluntary or involuntary ingestion of alcohol, drugs, medication, or other substances that can impair alertness or decision-making; because of intellectual disability; because the person is unconscious or asleep; or because the person is physically restrained); ~~or~~
6. Legal incapacity due to age;
- ~~6. Any other factor that would eliminate an individual's ability to exercise the individual's own free will to choose whether or not to have sexual activity.~~ Any other evidence that shows that the individual was temporarily incapable of exercising their own free will and/or of understanding and controlling their own conduct on the occasion in question.
- 7.

A current or previous dating or sexual relationship, by itself, is not sufficient to constitute consent. Even in the context of a relationship, there must be a voluntary, mutually understandable agreement that clearly indicates a willingness to engage in each instance of sexual activity.

Sex Discrimination

The College District prohibits sex discrimination. Sex discrimination against an employee is defined in this policy as conduct directed at

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DIAA
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	an employee on the basis of sex or gender, to include gender identity and gender expression that adversely affects the employee's employment with the College District. Sex discrimination includes all forms of sexual and gender-based misconduct. When used in this policy to describe acts of differential treatment that do not involve harassment or violence, the term "sex discrimination" refers to: 1. An adverse act or decision on the basis of sex that materially impacts the employee's term, condition, or privilege of employment with the College District; 2. "Disparate treatment," which refers to intentional acts that subject a person to different treatment based on their sex as compared to similarly situated employees who are the opposite sex; 3. "Disparate impact" discrimination occurs when a facially neutral policy, rule, or practice has a disproportionate impact on employees of a particular sex; or 4. Failure to accommodate on the basis of a past, current, or potential pregnancy, childbirth, or related condition, including recovery from miscarriage, stillbirth, or termination of pregnancy. Sex discrimination violates an individual's fundamental rights and personal dignity. The College District is committed to the principle that the working environment of its employees and the classroom environment for students should be free from inappropriate conduct of a sexual or gender-based nature (e.g., sex discrimination, sexual assault, sexual harassment, and sexual violence) by employees, students, or third parties. Sexual and gender-based misconduct is unprofessional, shall not be tolerated, and is expressly prohibited. Individuals who engage in such conduct shall be subject to disciplinary action up to and including termination.
Examples	Examples of sex discrimination include, but are not limited to: • Denying certain employees compensation or benefits on the basis of their sex or gender; and • Paying equally qualified employees in the same position different salaries because of their sex or gender.
Sexual Harassment	The College District prohibits sexual harassment. Sexual harassment can occur between persons of the same sex. Sexual harassment is a form of sex discrimination. It includes defined as unwelcome sexual advances; requests for sexual favors; sexually

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motivated physical, verbal, or nonverbal conduct; or other conduct or communication of a sexual nature when:

1. Submission to the advance, request, or conduct is either explicitly or implicitly a condition of an employee's employment, or when submission to or rejection of the conduct is the basis for an employment action affecting the employee ("quid pro quo" sexual harassment); ~~or~~

~~1.—~~

2. ~~The conduct is so severe, persistent, or pervasive that it has the purpose or effect of unreasonably interfering with the employee's work performance or creates an intimidating, threatening, hostile, or offensive work environment~~ Submission to or rejection of an unwelcome advance, request, or conduct is used as a basis for employment decisions affecting the individual who has been subjected to the conduct; or

- ~~2.~~3. The unwelcome advance, request, or conduct is so severe, persistent, or pervasive that it has the purpose or effect of (i) unreasonably interfering with the employee's work performance or (ii) creating an intimidating, threatening, or hostile, or offensive work environment (that is, the harassment effectively changes the terms or conditions of employment by creating a hostile work environment). The harassment must be objectively hostile (i.e., a reasonable person would view the conduct as hostile) and subjectively hostile (i.e., the complainant viewed the conduct as hostile).-

State and federal law provide different definitions of "sexual harassment"; however, this policy is not confined to a specific legal definition. This policy prohibits all sexually harassing conduct under both state and federal law. Moreover, the College District may take action, including disciplinary or corrective action, to stop unwelcome or nonconsensual conduct before the conduct rises to the level of a violation of law.

~~"Sexual harassment" is defined differently under state law and the federal Title IX regulation.~~ [See DIAA(LEGAL) for the applicable definitions]

*Sexual
Exploitation*

Sexual exploitation is conduct where an individual takes nonconsensual or abusive sexual advantage of another for the individual's own benefit, or to benefit anyone other than the one being exploited. Examples of sexual exploitation include, but are not limited to, engaging in voyeurism, human trafficking, sex trafficking, forwarding of pornographic or other sexually inappropriate material by email, text, or other channels to nonconsenting individuals or groups; the intentional removal of a condom or other contraceptive

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DIAA
(LOCAL)

barrier during sexual activity without the consent of a sexual partner; and any activity that goes beyond the boundaries of consent, such as recording of sexual activity, letting others watch consensual sex, or knowingly transmitting a sexually transmitted disease (STD) to another.

Sexual Violence

The College District prohibits sexual violence, including sexual assault. Sexual violence is a form of sexual harassment. Sexual violence includes physical sexual acts perpetrated against a person's will or where a person is incapable of giving consent due to the alleged victim's use of drugs or alcohol or due to an intellectual or other disability.

The definition of sexual assault includes:

1. Rape, which is the penetration, no matter how slight, of the vagina or anus with any body part or object, or oral penetration by a sex organ of another person without the consent of the victim;
2. Criminal sexual contact, which is (i) the intentional touching of the clothed or unclothed body parts without consent of the alleged victim for the purpose of sexual degradation, sexual gratification, or sexual humiliation or (ii) the forced touching by the alleged victim of the alleged offender's clothed or unclothed body parts, without consent of the victim for the purpose of sexual degradation, sexual gratification, or sexual humiliation;
3. Incest, which is sexual intercourse between persons who are related to each other within the degrees wherein marriage is prohibited by law;
4. Statutory rape, which is sexual intercourse with a person who is under the statutory age of consent.

Sexual assault does not require proof of force or injury.

Dating Violence

"Dating violence" means violence committed by a person who is or has been in a social relationship of a romantic or intimate nature with the victim. The existence of such a relationship shall be determined based on the reporting party's statement and with consideration of the length of the relationship, the type of relationship, and the frequency of interaction between the persons involved in the relationship.

Domestic Violence

"Domestic violence" means conduct that would constitute a misdemeanor or felony under Texas family violence laws or domestic violence laws committed by an individual who is:

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SEX AND SEXUAL VIOLENCE

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- A current or former spouse or intimate partner of the complainant or is similarly situated to a spouse of the complainant;
- A person with whom the complainant shares a child in common;
- A person who is cohabitating with, or has cohabitated with, the complainant as a spouse or intimate partner;

The term “domestic violence” also includes acts against a youth or adult victim who is protected from those acts under the family violence or domestic violence laws of Texas.

~~“Domestic violence” means violence committed by:~~

- ~~• A current or former spouse or intimate partner of the victim;~~
- ~~• A person with whom the victim shares a child in common;~~
- ~~• A person who is cohabitating with, or has cohabitated with, the victim as a spouse or intimate partner;~~
- ~~• Any other member of the victim’s family as defined by state law;~~
- ~~• Any other current or former member of the victim’s household as defined by state law;~~
- ~~• A person in a dating relationship with the victim as defined by state law; or~~
- ~~• Any other person who acts against the victim in violation of the family violence laws of this state or the jurisdiction where the conduct occurs.~~

Stalking

“Stalking” means engaging in a course of conduct directed at a specific person that would cause a reasonable person to fear for the person's safety or the safety of others or suffer substantial emotional distress.

For the purposes of this definition:

1. “Course of conduct” means two or more acts, including, but not limited to, acts in which the stalker directly, indirectly, or through third parties, by any action, method, device, or means, follows, monitors, observes, surveils, threatens, or communicates to or about a person, or interferes with a person's property.
2. “Reasonable person” means a reasonable person under similar circumstances and with similar identities to the victim.

Examples

FREEDOM FROM DISCRIMINATION, HARASSMENT, AND RETALIATION
SEX AND SEXUAL VIOLENCE

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Examples of sexual harassment of an employee include, but are not limited to, sexual advances; touching intimate body parts; coercing or forcing a sexual act on another; jokes or conversations of a sexual nature; sexual assault as defined by law; offensive or derogatory language directed at another person's gender identity; and other sexually motivated conduct, communication, or contact.

Examples may also include forms of dating violence, domestic violence, or stalking, such as physical or sexual assaults; name-calling; put-downs; or threats directed at the employee, the employee's family members, or members of the employee's household; destroying the employee's property; threatening to commit suicide or homicide if the employee ends the relationship; tracking the employee; attempting to isolate the employee from friends and family; threatening an employee's spouse or partner; or encouraging others to engage in these behaviors.

Prohibited Conduct	In this policy, the term "prohibited conduct" includes sex discrimination, sexual harassment, dating violence, domestic violence, stalking, and retaliation as described by this policy, even if the behavior does not rise to the level of legally actionable unlawful conduct.
Complainant	In this policy, the term "complainant" refers to an employee or employment applicant who is alleged to have experienced prohibited conduct. prohibited by this policy while employed by the College District or during the application process. The term includes an employee who has reported conduct but has not filed a complaint.
Respondent	In this policy, the term "respondent" refers to a person who is alleged to have committed prohibited conduct.
Confidential Employee	A "confidential employee" is a person designated by the institution who holds a professional license requiring confidentiality, such as a licensed counselor, licensed social worker, or medical provider, who is supervised by such a person, or a person who is a nonprofessional counselor or advocate designated in administrative procedures as a confidential source. A "confidential employee" is a College District employee whose communications are privileged under federal or state law (such as communications with a licensed professional counselor or licensed master social worker who is employed to provide counseling services and the confidential communication occurs in that capacity) and a person specially designated by the College District as a confidential source for the purpose of providing services to students related to sex discrimination.
Reporting Procedures	The College District Administration, under the direction of the Chancellor or Chancellor's designee, shall prepare complaint procedures that will permit employees to report and file complaints and receive redress for sexual discrimination, sexual harassment,
Electronic Reporting	

FREEDOM FROM DISCRIMINATION, HARASSMENT, AND RETALIATION
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	retaliation, and other acts prohibited by this policy. The procedures shall comply with this policy and applicable law. The College District strongly encourages students and, consistent with state law mandates, employees to report incidents of sexual harassment, sexual assault, dating violence, and stalking.
Reporting by Employee	A victim of prohibited conduct has the right to report the incident to the College District and to receive a prompt and equitable resolution of the report. An employee who believes that the employee has experienced prohibited conduct is encouraged to immediately report the alleged acts to the employee's immediate supervisor, Title IX coordinator, or deputy Title IX coordinator. Reports against the Title IX coordinator may be directed to the Chancellor or designee. A report against the Chancellor or a Board member must be reported to the Board Counsel in accordance BBFB(LOCAL) and Board bylaws. This alternative reporting procedure does not satisfy a mandatory reporting requirement, if applicable. Alternatively, employees and students may report prohibited conduct electronically through the College District's Title IX website. [To make a report or obtain more information, visit the College District's Title IX website.¹] A victim of a crime has the right to choose whether to report the crime to law enforcement, to be assisted by the College District in reporting the crime to law enforcement, or to decline to report the crime to law enforcement.
Mandatory Reporting for Employees	In cases involving sexual assault and other conduct causing physical harm, the complainant is encouraged It is important that a victim of prohibited conduct to go to a hospital for treatment and preservation of evidence, if applicable, as soon as possible practicable after the incident. An employee who, in the course and scope of employment, witnesses or receives information regarding the occurrence of an incident that the employee reasonably believes constitutes sexual harassment, sexual assault, dating violence, or stalking, regardless of when or where the incident occurred, and is alleged to have been committed by or against a person who was a student enrolled at or an employee of the College District at the time of the incident is required, by law, to mandatorily report the incident to the Title IX coordinator or deputy Title IX coordinator.

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The report must include all information concerning the incident known to the reporting person that is relevant to the investigation and, if applicable, redress of the incident, including whether an alleged victim has expressed a desire for confidentiality in reporting the incident.

*Exceptions to
Mandatory
Reporting*

Disclosure at
Event

A person who received the information solely from a disclosure at a sexual harassment, sexual assault, dating violence, or stalking public awareness event sponsored by a postsecondary educational institution or by an employee organization affiliated with the institution is not required to report the prohibited conduct unless the person has authority to institute corrective measures on behalf of the College District.

Employee
Subject to
Confidentiality
Rules

Absent the ~~alleged victim's~~ ~~employee's~~ consent, or unless required by law, employees designated by the Title IX coordinator as "confidential employees" are exempt from reporting all relevant information known about an incident of sexual harassment, sexual assault, dating violence, or stalking and are only required to report the type of incident to the Title IX coordinator or deputy Title IX coordinator. If multiple confidential employees receive information about the same alleged incident, then only one report disclosing the type of incident must be submitted.

Designated confidential employees include certain licensed professional counselors, licensed professional social workers, and other employees with a professional license requiring confidentiality who are working within that license.

Peace Officer

A College District peace officer who received information regarding the incident from an employee who chooses to complete a pseudonym form as described by law shall only be required to disclose the type of incident reported and may not disclose the employee's name, phone number, address, or other information that may directly or indirectly reveal the employee's identity.

Prior Report

A person who ~~has either learned~~ of an incident of prohibited conduct during the course of the College District's review or process ~~or who, or~~ has confirmed with the person or office overseeing the review or process that the incident has been previously reported, is not required to report the prohibited conduct.

**Failure to Report and
False Claims**

An employee who knowingly fails to make a required report regarding prohibited conduct concerning an incident the employee reasonably believes constitutes stalking, dating violence, sexual assault, or sexual harassment committed by or against a student or employee at the time of the incident, ~~is subject to disciplinary action, including termination.~~ ~~will be terminated in accordance with the College District's employee termination procedures.~~

FREEDOM FROM DISCRIMINATION, HARASSMENT, AND RETALIATION
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(LOCAL)

Title IX Coordinator Reports of discrimination based on sex, including sexual harassment, may be directed to the Title IX coordinator or deputy Title IX coordinator. The College District designates the following person to coordinate its efforts to comply with Title IX of the Education Amendments of 1972, as amended and related state and federal laws:

Title IX Coordinator: Sandra B. Jacobson, J.D., M.Ed, SHRM-SCP
Interim Director of EEO and Compliance, Title IX Coordinator/ADA/Section 504 Coordinator

Address: Office of Equal Opportunity and Title IX (EO/TIX),
3100 Main Street, Suite 700, Houston, TX 77002

Telephone: (713) 718-8271

Email: [Title IX Coordinator email](#)²

Webpage: [Title IX/Sexual Misconduct webpage](#)³

Responsible Employees All employees, with the exception of confidential employees, are designated as responsible employees for purposes of compliance with state law.

Timely Reporting A failure to immediately report prohibited conduct may impair the College District's ability to investigate and address the conduct.

Consolidated Reports/Complaints When an alleged victim submits one or more complaints under this policy or other HCC complaint policy and the complaints arise out of the same event or a series of related events ~~When the allegations underlying two or more complaints arise out of~~ that involve the same facts or circumstances, the College District may consolidate the complaints so long as no party is prejudiced. In addition, when two or more employees submit separate grievances or complaints that involve common questions of fact, law, or policy, the College District may consolidate the complaints for purposes of investigation or for purposes of investigation and resolution, so long as no party is prejudiced.

Advisor Each party to a complaint may be assisted by an advisor of the party's choice who may participate in the proceedings in a manner consistent with College District procedures.

Conflicts of Interest Prohibited ~~No person designated as the Title IX coordinator, a deputy Title IX coordinator, an investigator, a decision maker, or a facilitator of an informal resolution process shall have a conflict of interest or bias.~~ Individuals who serve as a Title IX coordinator, deputy Title IX coordinator, investigator, decisionmaker, or appeal officer shall not have a conflict of interest or bias against any party to a dispute under this policy. In addition, when a faculty member is a grievant, no

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	other faculty member may be involved in decision-making regarding the complaint. In the event of an actual conflict of interest or bias, the College District will appoint a different administrator, investigator, decisionmaker, or appeal officer to discharge responsibilities required under this policy. Bias is a form of prejudice and can be positive (e.g., favoring a party) or negative (e.g., disfavoring a party). A conflict of interest exists when personal or private interests are likely to compromise one's judgment. Conflicts and bias do not exist merely because the individual (i) is an employee of the College District, (ii) handled a prior case and ruled a particular way, or (iii) is a particular sex, race, religion, national origin, or other protected status.
Training	A person designated as the Title IX coordinator, a deputy Title IX coordinator, an investigator, a decision-maker, appeal officer, or a facilitator of an informal resolution process shall receive training as required by law and College District procedures.
Days	"Days" shall mean College District business days, unless otherwise noted. In calculating timelines under this policy, the day a document is filed is "day zero." The following business day is "day one."
Extension of Timelines	Timelines established by this policy and associated procedures may be subject to a limited extension if good cause, as defined in this policy and College District regulations, exists. The College District shall promptly provide written notice to the parties of an extension and the reason for the extension. A limited delay determined to be necessary so as not to impede a criminal or regulatory investigation shall constitute good cause for an extension of timelines established by this policy and associated procedures.
Investigation of the Report	The College District may request, but shall not insist upon, a written report from the complainant. If a report is made orally, the Title IX coordinator or designee shall reduce the report to written form. If the complainant needs a reasonable accommodation to communicate their report, the complainant may obtain assistance from the Title IX Coordinator or designees in the Office of Equal Opportunity and Title IX.
Initial Assessment	Reporting an allegation does not automatically initiate the grievance process. Upon receipt or notice of a report, the Title IX coordinator or deputy Title IX coordinator shall determine whether the allegations, if proven, would constitute prohibited conduct as defined by this policy and whether the allegations, assumed to be true, satisfy jurisdictional and definitional requirements under Title IX. <u>The</u>

FREEDOM FROM DISCRIMINATION, HARASSMENT, AND RETALIATION
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(LOCAL)

Title IX coordinator or deputy Title IX coordinator shall explain the process for filing a formal complaint and assess any request by the complainant not to investigate.

In cases involving sexual harassment, sexual assault, dating violence, domestic violence, or stalking, ~~if so,~~ the Title IX coordinator, deputy Title IX coordinator, or designee ~~shall promptly offer supportive measures to the complainant~~ will discuss the types of supportive measures or interim measures that may be available to maintain a safe and non-disruptive work environment, to ensure the integrity of a pending investigation, to discourage retaliation, and/or to provide support during a grievance process.

Supportive measures may be available with or without initiating a complaint and could include, for example, modification of a work schedule or work location, a restriction on contact between the parties, or increased security or monitoring in an area. The Title IX coordinator will coordinate the implementation of supportive measures but other offices, including Talent Engagement, also may be involved to implement or facilitate supportive measures.

Pending resolution of a complaint under this policy, the Chancellor or designee is authorized to place an employee on administrative leave in accordance with College District policies and procedures on administrative leave.

~~-and respondent, and the complaint resolution grievance process shall immediately begin, except as provided below at Criminal Investigation. The Title IX coordinator or deputy Title IX coordinator shall explain the process for filing a formal complaint and assess any request not to investigate. If the College District moves forward with the investigation, the Title IX coordinator or deputy Title IX coordinator shall immediately provide notice to the known parties to the complaint. [See DIAA(REGULATION)]~~

If the Title IX coordinator or deputy Title IX coordinator determines that the allegations, if proven, would not constitute prohibited conduct as defined by this policy but may constitute a violation of other College District policies, rules, or regulations, the Title IX coordinator or deputy Title IX coordinator shall refer the complaint for consideration under the appropriate policy and may discuss resources and support services with the reporting party.

If the complainant files a complaint and the College District moves forward with the investigation, or if the complainant declines to file a complaint but the Title IX coordinator determines that an investigation is warranted, the Title IX coordinator or deputy Title IX coordinator shall immediately provide written notice to the known parties to the complaint. [See DIAA(REGULATION)]

FREEDOM FROM DISCRIMINATION, HARASSMENT, AND RETALIATION
SEX AND SEXUAL VIOLENCE

DIAA
(LOCAL)

*Request Not to
Investigate*

Upon receipt of a formal complaint, the Title IX coordinator or designee also will promptly provide written notice of to the respondent as stated in this policy. The notice also will notify the respondent that supportive measures may be available to the respondent during the pendency of the grievance.

~~The complainant may request that the College District not investigate the allegations. If the complainant requests that the allegations not be investigated, in deciding whether to initiate the investigation, the College District must consider the factors described by law and any other factors the College District considers relevant. The College District shall promptly notify the complainant of the decision regarding whether it will conduct the investigation. If the College District decides not to investigate the allegations, the College District shall take reasonable steps to protect the health and safety of the College District community.~~ In cases involving sexual harassment, sexual assault, dating violence, domestic violence, or stalking, if a complainant requests that the College District not investigate or requests that it not inform the respondent of the allegations, the College District will weigh the rights, interests, and safety of all parties and the larger college community. The Title IX Coordinator or designee will consider the seriousness of the alleged conduct; the complainant's reasons for not wanting to proceed, if known; whether other reports against the respondent have been received; whether there is a risk of harm to others; and other relevant information required by law to be considered. The Title IX Coordinator or designee will promptly notify the complainant if the College District decides to investigate. The notice will be provided prior to initiating the investigation and will address reasonable concerns about the complainant's safety or the safety of others. If the Title IX Coordinator or designee decides not to investigate, the Title IX Coordinator or designee will consider whether other remedial measures would be appropriate and effective in preventing sex discrimination in the affected department.

The same process described above shall be used if a complainant seeks to withdraw a complaint after the investigation has commenced. The Title IX coordinator or designee will determine whether, in light of the factors above, the investigation should continue. The Title IX coordinator or designee also will consider whether the respondent and/or complainant are still employed by the College District.

Formal Complaint

To be considered a formal complaint under Title IX, the complainant or the Title IX coordinator must sign the written ~~report~~ complaint.

FREEDOM FROM DISCRIMINATION, HARASSMENT, AND RETALIATION
SEX AND SEXUAL VIOLENCE

DIAA
(LOCAL)

Notice to Parties

The written notice will provide sufficient information available at the time to allow the parties to respond to the allegations, including the identities of the parties involved in the incident(s), the conduct at issue, and the date(s) and location(s) of the alleged incident(s) if known. The notice will (i) describe the parties' right to an accurate description of the evidence and/or access to the evidence, (ii) prohibit retaliation, (iii) state that the respondent is presumed not responsible until a determination regarding responsibility is made, (iv) provide information regarding supportive measures (in cases that involve allegations of sexual harassment, sexual assault, dating violence, domestic violence, or stalking), (v) prohibit knowingly making false statements or submitting false information during the investigation and subsequent proceedings, and (v) provide other information as specified in DIAA1 (REGULATION).

~~The notice to the parties must describe the allegations and the formal and informal options for resolution of the complaint. The notice must state that the respondent is presumed not responsible until a determination regarding responsibility is made.~~ The notice must also include information regarding the opportunity ~~tion~~ to select and utilize an advisor during the grievance process, ~~the opportunity to inspect and review evidence, and the prohibition on knowingly making false statements or submitting false information during the investigation and any ensuing proceedings.~~

If the allegations are subsequently amended, the College District shall provide an updated notice reflecting the new allegations.

Informal Resolution

The College District may offer to the parties a process for the informal resolution of a formal complaint as defined by law. If the parties voluntarily agree in writing to participate in informal resolution of a formal complaint, the Title IX coordinator or deputy Title IX coordinator shall determine within three days if informal resolution is appropriate for the complaint. If the Title IX coordinator or deputy Title IX coordinator determines that informal resolution is appropriate, then the Title IX coordinator, deputy Title IX coordinator, or designee may facilitate that resolution within 10 days. If the Title IX coordinator or deputy Title IX coordinator does not determine informal resolution to be appropriate, then the complaint will be subject to the formal resolution process.

Formal Resolution

If the complaint is not subject to the informal resolution process, the Title IX coordinator or deputy Title IX coordinator shall authorize or undertake an investigation.

Supportive
Measures

~~If appropriate and regardless of whether a criminal or regulatory investigation regarding the alleged conduct is pending, the Title IX~~

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Criminal
Investigation

~~coordinator, deputy Title IX coordinator, or designee, shall promptly provide supportive measures intended to prevent prohibited conduct, protect the safety of the parties and others, and protect the parties from retaliation prior to the completion of the investigation. Examples of possible supportive measures include work accommodations, such as leaves of absence or administrative leave; mutual restrictions on contact between the parties; counseling and health services; and increased security and monitoring of certain areas of the campus.~~

Reports involving criminal conduct. In some instances, a report or complaint may involve criminal conduct. An employee who is a victim of a crime may choose whether to report the crime to the police. The employee's right to file a complaint with the College District does not depend on whether the employee reports the incident to the police.

If a law enforcement or regulatory agency notifies the College District that a criminal or regulatory investigation has been initiated, the College District shall confer with the agency to determine whether the College District's investigation would impede the criminal or regulatory investigation. The College District shall proceed with its investigation only to the extent that it does not impede the ongoing criminal or regulatory investigation. ~~After the law enforcement or regulatory agency has completed gathering its evidence,~~ *the College District shall promptly resume its investigation upon notification from the law enforcement or regulatory agency that the College District's investigation will not impede the external investigation.*

Any delay under this provision shall constitute good cause for an extension of timelines established by this policy and associated procedures.

College District
Investigation

The College District will appoint an investigator who is impartial and free of any conflict of interests. A respondent shall not have supervisory authority over the individual who conducts the investigation or exercise control over the investigation. An investigation may be conducted by the Title IX coordinator, deputy Title IX coordinator, College District investigators, ~~designated by the Title IX coordinator,~~ or by a third party designated by the College District, such as an attorney.

When appropriate to ensure a fair and impartial investigation or to minimize disruption to department or campus operations, the supervisor will be informed of the investigation., ~~the supervisor shall be involved in or informed of the investigation.~~

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**Concluding the
Investigation**

The investigator will gather evidence relevant to the complaint and to any defenses asserted by the respondent. The investigation may consist of personal interviews with the complainant, the respondent, and others with knowledge of the circumstances surrounding the allegations. The investigation may also include analysis of other information or documents related to the allegations. The investigator will not collect or consider evidence that, by law, is impermissible to consider, including evidence relating to complainant's prior sexual behavior unless offered to prove that someone other than the respondent committed the conduct alleged by the complainant or if the questions and evidence concern specific incidents of the complainant's prior sexual behavior with respect to the respondent and are offered to prove consent. The investigator will not gather a party's medical or mental health history unless the party specifically gives written consent to do so for purposes of the complaint process under this policy.

The parties shall be provided an equal opportunity to suggest or present witnesses and evidence and to inspect and review any directly related evidence obtained by the College District so that the parties may meaningfully respond during the investigation process. The parties expected to participate in an investigative interview or other meeting shall be provided prior written notice and sufficient~~in~~
~~enough~~ time to prepare to participate.

~~At least 10 days prior to the completion of the investigation report, the College District must send each party and the party's advisor evidence subject to inspection and review. The parties may submit a written response for consideration by the investigator.~~

The investigation shall be completed within a reasonable time, typically within~~not to exceed~~ 60 College District business days from the date of the report. If additional time is needed to ensure a thorough investigation, the investigator(s) shall notify the parties of the anticipated amount of time it will take to complete the investigation.

Sex Discrimination Cases and Cases Involving Non-Title IX Claims of Sexual Harassment, Sexual Assault, Domestic Violence, Dating Violence, or Stalking

In cases involving allegations of sex discrimination and cases involving claims of sexual harassment, sexual assault, domestic violence, dating violence, or stalking that do not satisfy the definitions and jurisdictional requirements under Title IX, the investigator(s) will prepare written findings of fact about whether the alleged conduct occurred. Findings will be based on a preponderance of the evidence. To establish something by a "preponderance of the evidence" means to show the greater weight of the credible evidence.

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This standard is satisfied if the fact or conduct is deemed more likely than not to have occurred. The final investigative report shall be submitted to the Title IX Coordinator or designee who will provide a copy of the report to the complainant, respondent, and a designated administrator with authority to determine discipline and take corrective action, if any. Information that is confidential by law may be redacted from the report, including, for example, an employee's home address or confidential student information.

The complainant and respondent shall each have an equal opportunity to submit comments regarding the report. After the deadline for submitting comments has expired, the Title IX Coordinator or designee will issue a determination on whether the facts as found during the investigation demonstrate a violation of this policy. The Title IX Coordinator also may return the case to the investigator for further investigation when needed for additional factfinding. Once the Title IX Coordinator determines that the investigation is complete, the designated administrator will determine discipline and corrective action, if any, reasonably calculated to address the conduct. The Title IX Coordinator may determine whether other non-disciplinary corrective or remedial action is appropriate.

If the respondent-employee is a contract employee and is proposed for termination or suspension without pay during the term of their contract, the employee will be entitled to a hearing in accordance with Policy DMAA (Local) and its affiliated regulations. An appeal following a hearing under Policy DMAA (Local) will follow the process in Policy DMAA (Local) and its affiliated regulations.

Cases Involving Title IX Claims of Sexual Harassment, Sexual Assault, Domestic Violence, Dating Violence, or Stalking

The investigator(s) shall prepare a written report accurately summarizing the relevant evidence. ~~investigation information.~~ The investigator will submit the report to the Title IX Coordinator (or designee) who will provide access to both parties (to the extent permitted by law). Each party will have 10 days to review and submit written comments in accordance with applicable regulations. After the period for submitting comments has expired, the investigator will consider the parties' comments and finalize the report and submit to ~~The final investigative report shall be filed with~~ the Title IX coordinator or deputy Title IX coordinator. ~~within 10 days overseeing the investigation.~~

Notification of the
Report

~~The Title IX coordinator shall provide the investigation report, within the extent permitted by law, to the complainant and the respondent promptly following receipt. The parties shall be given 10 days to respond to the report.~~

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**College-District
Action**

The Title IX coordinator shall submit the investigation report to the chief human resources officer promptly after receipt of the parties' response but no later than the expiration of the parties' deadline to respond.

Live Hearing –
Determination of
Responsibility in
Certain Cases

Absent a formal complaint dismissal or the parties' decision to reach an informal resolution agreement (if applicable), ~~in cases involving allegations of sexual harassment, sexual assault, dating violence, domestic violence, or stalking that satisfy the definitions and jurisdictional requirements under Title IX, the final step in the grievance process is for a trained final decisionmaker at a live hearing to determine the facts and assess whether corrective action, discipline, or other action is warranted, including termination.~~ ~~the College District will provide a live hearing for all formal complaints subject to the process outlined in this policy.~~

~~The Title IX coordinator shall summon the parties for a hearing to be held within a reasonable time, not to exceed 10 days.~~ The live hearing shall be conducted in accordance with law and College District procedures.

After the hearing, the hearing officer shall determine whether each individual allegation of prohibited conduct occurred using a preponderance of evidence standard and determine the appropriate disciplinary or corrective action. In making the determination, the hearing officer shall evaluate all relevant evidence objectively and shall not make credibility assessments based on a person's status as the complainant, the respondent, or a witness. The hearing officer shall ~~prepare~~ ~~create~~ a written determination regarding responsibility in accordance with law and College District procedures within ~~15 working~~ ~~five~~ days following the hearing and submit the determination to the parties simultaneously ~~along with a statement of the appeal process.~~

Disciplinary or
Corrective Action

If the hearing officer determines that prohibited conduct occurred, the College District shall promptly respond by taking appropriate disciplinary or corrective action reasonably calculated to address the conduct.

~~The College District may take action based on the results of an investigation, even if the conduct did not rise to the level of prohibited or unlawful conduct.~~

Examples of disciplinary or corrective action may include:

- Terminating or suspending;
- Implementing ~~the~~ disciplinary measures described in DH ~~and the DM series~~ for employees or FM for students;

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- Providing a training program for those involved in the complaint;
- Providing a comprehensive education program for the College District community;
- Providing counseling for the victim and the individual(s) who engaged in prohibited conduct;
- Conducting follow-up inquiries to determine whether any new incidents or any instances of retaliation have occurred;
- Involving the community in efforts to identify problems and improve the College District climate;
- Increasing staff monitoring of areas where prohibited conduct has occurred;
- Reaffirming the College District's policy against discrimination and harassment; and
- Taking other actions described in College District regulations.

Exception

The College District shall minimize attempts to require a complainant to resolve the problem directly with the person who engaged in the harassment; however, if that is the most appropriate resolution method, the College District shall be involved in an appropriate manner.

Improper Conduct

In any situation in which the respondent is found not in violation or is found to have engaged in inappropriate conduct that does not rise to the level of prohibited conduct under this policy, ~~If the hearing officer determines that improper conduct occurred that did not rise to the level of prohibited conduct,~~ the College District may take disciplinary action in accordance with College District policy and procedures or other corrective action reasonably calculated to address the conduct in accordance with law and College District Procedures. [See DIAA] The Title IX Coordinator also may determine that non-disciplinary remedial action is appropriate for a work group or department.

Dismissal of Complaint

Mandatory Dismissal

An allegation presented as a formal complaint of sexual harassment, sexual assault, dating violence, domestic violence, or stalking under Title IX is subject to the mandatory dismissal procedures under law.

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Permissive Dismissal	Any complainant may request be dismissed at any time. However, before dismissing, -on request of a complainant- The Title IX coordinator willmust first assess the request in accordance with this policy at Request Not to Investigate, above, and determine whether to continue processing the complaint, including evaluating the seriousness of the alleged conduct against the, whether other reports against the respondent have been received, whether there is a risk of harm to others, and whether the respondent is still employed. A complaint may also be dismissed if specific circumstances prevent the College District from gathering evidence sufficient to reach a determination as to the complaint or allegations.
Notice of Dismissal	Upon dismissal of a complaint, the Title IX coordinator or designee shall provide the parties written notice of the dismissal. If the Title IX Coordinator dismisses a complaint of sexual harassment, sexual assault, dating violence, domestic violence, or stalking as defined under Title IX, the complainant may appeal the dismissal if (i) there was a procedural error that in all likelihood affected the outcome, (ii) there is new evidence, previously unavailable despite the exercise of reasonable diligence, and the new evidence could have affected the outcome, or (iii) the Title IX coordinator, designee, investigator, or decision-maker had a conflict of interest or was biased. An aggrieved party may appeal a dismissal to the Chancellor or designee whose decision shall be final.
Appeal	<i>Appeal process for non-faculty in sex discrimination cases and non-Title IX cases involving sexual harassment, sexual assault, domestic violence, dating violence, or stalking:</i> As discussed above, if the employee is a contract employee and has been proposed for termination or suspension without pay, Policy DMAA (Local) will apply, including the appeal process in Policy DMAA (Local) and its affiliated regulations. In all other cases involving non-faculty, an aggrieved employee may appeal the determination if (i) there was a procedural error that in all likelihood affected the outcome, (ii) there is new evidence, previously unavailable despite the exercise of reasonable diligence, and the new evidence could have affected the outcome, or (iii) the Title IX coordinator, designee, investigator, or decision-maker had a conflict of interest or was biased. The appeal must be filed in accordance with administrative regulations. The appeal will be determined by a designated administrator in accordance with administrative regulations. The decision of the designated administrator is final.

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Appeal process for faculty in sex discrimination cases and non-Title IX cases involving sexual harassment, sexual assault, domestic violence, dating violence, or stalking:

As discussed above, if a faculty member is a contract employee and has been proposed for termination or suspension without pay, Policy DMAA (Local) will apply, including the appeal process in Policy DMAA (Local) and its affiliated regulations. In cases that do not involve termination or suspension without pay, the review process is automatic, and the matter will be reviewed by the Chancellor or Chancellor's designee in accordance with administrative regulations. The decision of the Chancellor or designee is final.

Appeal process for cases involving claims of sexual harassment, sexual assault, domestic violence, dating violence, and stalking that satisfy the definitions and jurisdictional requirements under Title IX:

An aggrieved party may appeal if (i) there was a procedural error that in all likelihood affected the outcome, (ii) there is new evidence, previously unavailable despite the exercise of reasonable diligence, and the new evidence could have affected the outcome, or (iii) the Title IX coordinator, designee, investigator, or decision-maker had a conflict of interest or was biased. The appeal must be filed in accordance with administrative regulations. Both parties may submit a written statement in support of, or challenging, the outcome of the hearing. The appeal will be determined by a designated administrator in accordance with administrative regulations; the decision shall be final. However, if one or more parties is a faculty member, then review of the matter is automatic and will be decided by the Chancellor or designee in accordance with administrative regulations. The decision of the Chancellor or designee is final. This process constitutes the grievance process required under Section 51.960 of the Texas Education Code.

Board of Trustees Review. Following the conclusion of an appeal process under this policy, nothing in this policy precludes an aggrieved party from appearing before the board of trustees during the hearing of citizens.

Confidentiality

To the greatest extent possible, consistent with law, the College District shall respect the privacy of the parties, witnesses, and other persons involved. Limited disclosures may be necessary to carry out the purposes of this policy and associated regulations and to comply with applicable law.

Retaliation

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	The College District prohibits retaliation. As used in this policy, retaliation is defined as a materially adverse action, including intimidation, reprisal, and harassment, against an individual because the individual engaged in a protected activity. Protected activities include filing a complaint under this policy or a charge of discrimination or harassment, opposing discriminatory employment practices, or participating in an investigation of such complaints. against any individual for the purpose of interfering with a right or privilege under this policy; the complainant; or another individual who, in good faith, makes a report or complaint, serves as a witness, or otherwise participates or refuses to participate in an investigation, proceeding, or hearing under this policy. This prohibition does not apply to discipline of a person who perpetrated or assists in the perpetration of the prohibited conduct. A person who is alleged to have experienced retaliation may pursue a claim under this policy or policy FFDA, as appropriate. Retaliation is conduct that a reasonable employee would view as materially adverse and whose purpose or effect is to discourage employees from exercising their rights under this policy or under the law and which would not have occurred but for the employee's complaint or the employee's exercise of their statutory rights. The protection against retaliation applies to all good-faith complaints, even if the underlying complaint ultimately is not sustained. Retaliation does not include charging an individual with making a materially false statement in bad faith in the course of an investigation or grievance proceeding.
Examples	Examples of retaliation include, but are not limited to, termination, refusal to hire, demotion, and denial of promotion. Retaliation may also include threats and, unjustified negative evaluations, unjustified negative references, or increased surveillance.
False Claims	An employee who intentionally makes a false claim, offers a false statement, or refuses to cooperate with a College District investigation regarding prohibited conduct shall be subject to appropriate disciplinary action.
Interference with the Grievance Process	Any person who interferes with the grievance process outlined in this policy is subject to disciplinary action up to and including dismissal or separation from the institution. Interference with a grievance process may include, but is not limited to: 1. Attempting to coerce, compel, or prevent an individual from providing testimony or relevant information; 2. Removing, destroying, or altering documentation relevant to the grievance process; or

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3. Knowingly providing false or misleading information to the Title IX coordinator, deputy Title IX coordinator, investigator, ~~or~~ hearing officer, ~~or designated administrator~~ or encouraging others to do so.

Appeal

~~If the hearing officer determines that a contract employee committed prohibited conduct that warrants suspension without pay or termination mid-contract, the hearing officer in consultation with the chief human resources officer shall inform the employee in writing of the determination, and a Board hearing shall be scheduled in accordance with DMAA and other applicable policy.~~

~~Other Action~~

~~If the hearing officer determines that the employee committed prohibited conduct that warrants other discipline or corrective action, the hearing officer in consultation with the chief human resources officer shall inform the employee that the employee may appeal the determination within 10 days in accordance with DIAA.~~

~~Students
Suspension~~

~~If the hearing officer determines that a student committed prohibited conduct that warrants a suspension, the official shall forward the determination and all evidence collected during the investigation and hearing to the vice chancellor of student services. A conference with the vice chancellor of student services shall be scheduled within 10 days of the notice of determination.~~

~~Expulsion~~

~~If the hearing officer determines that the student committed prohibited conduct that warrants expulsion, the hearing officer shall forward the determination and all evidence collected during the investigation and hearing to the vice chancellor of student services to schedule an expulsion hearing before the Board.~~

~~Other Action~~

~~If the hearing officer determines that the student committed prohibited conduct that warrants other discipline or corrective action, the hearing officer shall inform the student that the student may appeal the determination in accordance with institutional policy.~~

~~Other Appeals~~

~~A party may appeal the findings of an investigation where it is alleged that procedural error or previously unavailable relevant evidence could significantly impact the outcome of the case through the applicable regulation.~~

~~All other appeals related to this policy may be submitted through the applicable grievance policy beginning at the appropriate level. [See DIAA(REGULATION) for employees, FFDA(REGULATION) for students, and GB(LOCAL) for community members]~~

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~~Complaints Filed
with State or
Federal
Agencies~~ External
Reports

The applicable College District regulation shall notify parties of their right to file a complaint with appropriate state or federal agencies, including the Equal Employment Opportunity Commission and Texas Workforce Commission, as may be appropriate. ~~A party shall be informed of any right to file a complaint with appropriate state or federal agencies.~~

Records Retention

Retention of records shall be in accordance with the College District's records retention procedures. [See CIA]

**Access to Policy,
Procedures, and
Related Materials**

Information regarding this policy and any accompanying regulations, as well as relevant educational and resource materials concerning the topics discussed in this policy, shall be distributed to applicants for admission and employment and annually to College District employees, students, and parents or guardians in compliance with law and in a manner calculated to provide easy access and wide distribution, such as through electronic distribution and inclusion in the employee and student handbooks and other major College District publications. Information regarding the policy, regulations, and related materials and any materials used to train a person designated as the Title IX coordinator, a deputy Title IX coordinator, an investigator, a decision-maker, or a facilitator shall also be prominently published on the College District's website, on a dedicated page accessible through a clear link on the homepage, taking into account applicable legal requirements. Copies of the policy and procedures shall be readily available at the College District's administrative offices and shall be distributed to an employee who makes a report.

Any revisions to this policy will require written notice by the Compliance Department to the Coordinating Board in accordance with BBF(LOCAL). This policy must be reviewed by the Board a minimum of every two years.

¹ College District Title IX website: <https://www.hccs.edu/oeotix/>

² Title IX Coordinator email: <mailto:hcc.oeotix@hccs.edu>

³ Title IX/Sexual Misconduct webpage: <https://www.hccs.edu/oeotix/title-ix-know-your-rights/>

FREEDOM FROM DISCRIMINATION, HARASSMENT, AND RETALIATION
OTHER PROTECTED CHARACTERISTICS

DIAB
(LOCAL)

Note: This policy addresses complaints of discrimination, harassment, and retaliation targeting employees based on protected characteristics other than sex or gender ~~to include gender identity and expression~~. For discrimination, harassment, and retaliation of employees based on sex or gender, see DIAA. For legally referenced material relating to subject matter addressed in this policy, see DAA(LEGAL) and DIAB(LEGAL). For discrimination, harassment, and retaliation of students based on protected characteristics other than sex or gender, see FFDB. For discrimination, harassment, and retaliation of students based on sex or gender, see FFDA.

**Statement of
Nondiscrimination**

~~The College District prohibits discrimination, including harassment, against any individual(s) on the basis of race, color, religion, national origin, age, veteran status, disability, sex, sexual orientation, gender, to include gender identity and gender expression, or any other basis prohibited by law. Retaliation against anyone involved in the complaint process is a violation of College District policy.~~

Discrimination

The College District prohibits **unlawful** discrimination. Discrimination against an employee under this policy is defined as conduct directed at an employee on the basis of race, color, religion, national origin, **shared ancestry**, age, disability, **genetic information**, **veteran's status**, or any other basis prohibited by law, that adversely affects the employee's employment.

Examples:

- 1) Making an employment decision or taking an action affecting an employee's employment opportunities, benefits, or privileges, creating discriminatory work conditions, and/or using discriminatory evaluative standards in employment when the basis of the discriminatory treatment is, in whole or in part, due to the employee's protected status.
- 2) Making a hiring, nonrenewal, or termination decision based in whole or in part, on the employee's protected status.
- 3) Determining a promotion or compensation or benefits based in whole or in part, on to the employee's protected status.

Harassment

The College District prohibits harassment. Harassment of an employee under this policy is defined as physical, verbal, or nonverbal conduct based on an employee's race, color, religion, national

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	origin, shared ancestry, age, disability, genetic information, veteran's status, or any other basis prohibited by law, when the conduct is so severe, persistent, or pervasive that the conduct: 1. Has the purpose or effect of unreasonably interfering with the employee's work performance; 2. Creates an intimidating, threatening, hostile, or offensive work environment; or 3. Otherwise adversely affects the employee's performance, environment, or employment opportunities.
Examples	Harassment can occur in different forms, including verbal, nonverbal, physical, visual, symbolic, and/or electronically based. Examples of harassment may include offensive or derogatory language directed at another person's religious beliefs or practices, accent, skin color, or need for workplace accommodation; threatening or intimidating conduct; offensive jokes, name-calling, slurs, or rumors; physical aggression or assault; display of graffiti or printed material promoting racial, ethnic, or other stereotypes; or other types of aggressive conduct such as theft or damage to property that are motivated by the person's protected status.
Prohibited Conduct	In this policy, the term "prohibited conduct" includes discrimination, harassment, and retaliation as defined by this policy, even if the behavior does not rise to the level of legally actionable unlawful conduct.
Reporting Procedures	An employee who believes that he or she has experienced prohibited conduct or believes that another employee has experienced prohibited conduct should immediately report the alleged acts. The employee may report the alleged acts to his or her immediate supervisor but is not required to make a report to the immediate supervisor if that individual allegedly is causing the discrimination or harassment. Alternatively, the employee may report the alleged acts to the College District official below. For the purposes of this policy, the College District official is the ADA/Section 504 coordinator.
Definition of College District Officials	The College District designates the following person to coordinate its efforts to comply with Title II of the Americans with Disabilities Act of 1990, as amended, which incorporates and expands upon the requirements of Section 504 of the Rehabilitation Act of 1973, as amended:
ADA / Section 504 Coordinator	

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DIAB
(LOCAL)

Name: Sandra B. Jacobson, J.D., M.Ed, SHRM-SCP
Position: Interim Director of EEO and Compliance, Title IX
Coordinator/ADA/Section 504 Coordinator
Address: Office of Equal Opportunity and Title IX (EO/TIX),
3100 Main Street, Suite 700, Houston, TX 77002
Telephone: (713) 718-8271
Email: hcc.oeotix@hccs.edu

Other Anti-
discrimination Laws

The College District designates the Director of EEO and Compliance/Title IX coordinator and the Office of Equal Opportunity and Title IX or designee to serve as coordinator for purposes of College District compliance with all other antidiscrimination laws.

**Alternative
Reporting
Procedures**

An employee shall not be required to report prohibited conduct to the person alleged to have committed it. Reports against the ADA/Section 504 coordinator may be directed to the Chancellor.

Reports against the Chancellor or a Board member may be made directly to the Board Chair. The complaint shall be handled in accordance with the procedures set forth in BBFB(LOCAL).

Timely Reporting

Reports of prohibited conduct shall be made as soon as possible after the alleged act or knowledge of the alleged act. A failure to promptly report may impair the College District's ability to investigate and address the prohibited conduct.

Notice of Report

Any College District supervisor who receives a report of prohibited conduct shall immediately notify the College District official listed above and take any other steps required by this policy.

**Consolidated
Complaints**

Complaints arising out of the same event or a series of related events should be addressed in one complaint. When the allegations underlying two or more complaints arise out of the same facts or circumstances, the College District may consolidate the complaints. In addition, when two or more employees file separate grievances or complaints that involve common questions of fact, law, or policy, the College District may consolidate the complaints for purposes of investigation or for purposes of investigation and resolution, so long as no party is prejudiced.

**Investigation of the
Report**

The College District may request, but shall not insist upon, a written report. If a report is made orally, the College District official shall reduce the report to written form.

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(LOCAL)

Upon receipt or notice of a report, the College District official shall determine whether the allegations, if proven, would constitute prohibited conduct as defined by this policy. If so, the complaint resolution process [see DIAB(REGULATION)] shall immediately begin, except as provided below at [the paragraph titled Criminal Investigation](#).

If the College District official determines that the allegations, if proven, would not constitute prohibited conduct as defined by this policy but may constitute a violation of other College District rules or regulations, the College District official shall refer the complaint for consideration under the appropriate policy.

When appropriate, the College District shall promptly take interim action [reasonably](#) calculated to prevent prohibited conduct during the course of an investigation.

An investigation may be conducted by the College District official or a designee or by a third party designated by the College District, such as an attorney. When appropriate, [to ensure a fair and impartial investigation or to minimize disruption to department or campus operations](#), the supervisor shall be ~~involved in or~~ informed of the investigation.

The investigation may consist of personal interviews with the person making the report, the person against whom the report is filed, and others with knowledge of ~~the circumstances~~ [relevant facts](#) surrounding the allegations. The investigation may also include analysis of other information or documents related to the allegations.

**Criminal
Investigation**

If a law enforcement or regulatory agency notifies the College District that a criminal or regulatory investigation has been initiated, the College District shall confer with the agency to determine if the College District's investigation would impede the criminal or regulatory investigation. The College District shall proceed with its investigation only to the extent that it does not impede the ongoing criminal or regulatory investigation. ~~After the law enforcement or regulatory agency has completed gathering its evidence, the~~ [The College District shall promptly resume its investigation upon notification from the law enforcement or regulatory agency that the College District's investigation will not impede the external investigation.](#)

**Concluding the
Investigation**

[The investigation shall be completed within a reasonable time, typically](#) ~~Absent extenuating circumstances, the investigation should be completed~~ within ~~30-60~~ College District business days from the date of the report; however, [if additional time is needed to ensure a thorough investigation](#), the investigator(s) shall [notify the parties of](#)

FREEDOM FROM DISCRIMINATION, HARASSMENT, AND RETALIATION
OTHER PROTECTED CHARACTERISTICS

DIAB
(LOCAL)

**College District
Action**

the anticipated amount of time it will take ~~additional time if necessary~~ to complete ~~a thorough~~ the investigation.

The investigator(s) shall prepare a written report summarizing the relevant ~~evidence collected during the investigation~~ information. The investigator(s) will prepare findings of fact about whether the alleged conduct occurred. Findings will be based on a preponderance of the evidence. To establish something by a “preponderance of the evidence” means to show the greater weight of the credible evidence. This standard is satisfied if the fact or conduct is deemed more likely than not to have occurred. The final investigative report shall be filed with the College District official overseeing the investigation. The College District official shall provide a copy of the report to the complainant, respondent, and a designated administrator with authority to determine discipline, if discipline is warranted. Information that is confidential by law may be redacted from the report, including, for example, an employee’s home address or confidential student information.

~~If the results of an investigation indicate that prohibited conduct occurred, the College District shall promptly respond by taking appropriate~~ The complainant and respondent shall each have 10 business days to submit comments regarding the report. After the deadline for submitting comments has expired, the designated administrator will issue a determination on whether the facts as found during the investigation demonstrate a violation of policy and, if so, ~~what discipline~~ ~~ary~~ or corrective action ~~would be appropriate and~~ reasonably calculated to address the conduct. The designated administrator may confer with the College District official and Talent Engagement to ensure a consistent application of the standards in this policy.

The College District ~~also~~ may take ~~any other remedial or other appropriate~~ action based on the results of an investigation, ~~such as requiring employee training in a particular department~~, even if the conduct did not rise to the level of prohibited or unlawful conduct.

If the employee is a contract employee and is proposed for termination or suspension without pay during the term of their contract, the employee will be entitled to a hearing with due process in accordance with Policy DMAA (Local) and its affiliated regulations. Any appeal following a hearing under Policy DMAA (Local) will follow the process in Policy DMAA (Local) and its affiliated regulations.

Confidentiality

To the greatest extent possible, the College District shall respect the privacy of the parties, witnesses, and other persons involved.

FREEDOM FROM DISCRIMINATION, HARASSMENT, AND RETALIATION
OTHER PROTECTED CHARACTERISTICS

DIAB
(LOCAL)

Limited disclosures may be necessary in order to conduct a thorough investigation and comply with applicable law.

Retaliation

The College District prohibits retaliation. As used in this policy, retaliation is defined as a materially adverse action treatment, including intimidation, reprisal, and harassment, against an individual because the individual engaged in a protected activity. Protected activities include filing a complaint under this policy or a charge of discrimination or harassment, opposing discriminatory employment practices, or participating in an investigation of such complaints. ~~he or she has alleged to have experienced discrimination or harassment, or another employee who, in good faith:~~

- ~~1. Makes a report of harassment or discrimination;~~
- ~~2. Serves as a witness; or~~
- ~~3. Otherwise participates in an investigation under this policy.~~

Retaliation is conduct that a reasonable employee would view as materially adverse and whose purpose or effect is to discourage employees from exercising their rights under this policy or under the law and which would not have occurred but for the employee's complaint or the employee's exercise of their statutory rights. The protection against retaliation applies to all good-faith complaints, even if the underlying complaint ultimately is not sustained. Retaliation does not include charging an individual who makes a materially false statement in bad faith in the course of an investigation or grievance proceeding.

Examples

Examples of retaliation may include termination, refusal to hire, demotion, and denial of promotion. Retaliation may also include threats, intimidation, coercion, and unjustified negative evaluations; ~~unjustified negative references, or increased surveillance.~~

False Claims

It is a violation of College District policy to intentionally make a false claim under this policy. An employee or student who intentionally makes a false claim or offers a false statement regarding prohibited conduct shall be subject to appropriate disciplinary action in accordance with law.

Appeal

Appeal process for non-faculty. As stated above, however, if the employee is a contract employee and has been proposed for termination or suspension without pay, the procedures in Policy DMAA (Local) and its affiliated regulations will govern. In cases that do not involve the proposed termination or suspension of a contract employee without pay, an employee may appeal the determination if (i) there was a procedural error that ~~in all likelihood~~ affected the outcome, ~~or~~ (ii) there is new evidence, previously unavailable despite the exercise of reasonable diligence, and the new evidence ~~in~~

FREEDOM FROM DISCRIMINATION, HARASSMENT, AND RETALIATION
OTHER PROTECTED CHARACTERISTICS

DIAB
(LOCAL)

~~all likelihood~~ could have affected the outcome, and (iii) the College District official, designee, investigator, or decision-maker had a conflict of interest or was biased. The appeal must be filed in accordance with administrative regulations. The appeal will be determined by a designated administrator in accordance with administrative regulations. The decision of the designated administrator is final; however, the employee may address the Board of Trustees at the next regular meeting in accordance with the provision for the hearing of citizens. ~~As stated above, however, if the employee is a contract employee and has been proposed for termination or suspension without pay, the procedures in Policy DMAA (Local) and its affiliated regulations will govern.~~

Appeal process for faculty. If the faculty member has been proposed for termination or suspension without pay during the term of their contract, the procedures in Policy DMAA (Local) and its affiliated regulations will govern. In cases that do not involve termination or suspension without pay, the review process is automatic, and the matter will be reviewed by the Chancellor or Chancellor's designee in accordance with administrative regulations. The decision of the Chancellor or designee is final; however, the employee may address the Board of Trustees at the next regular meeting in accordance with the provision for the hearing of citizens.

~~In cases that do not involve a recommendation to terminate or suspend without pay, a faculty member may appeal the determination if (i) there was a procedural error that in all likelihood affected the outcome or (ii) there is new evidence, previously unavailable despite the exercise of reasonable diligence, and the new evidence could have affected the outcome. The appeal shall be filed in accordance with administrative regulations. The appeal will be determined by the Chancellor or Chancellor's designee. The decision of the Chancellor or designee is final; however, the employee may address the Board of Trustees at the next regular meeting in accordance with the provision for the hearing of citizens.~~

~~However, if the faculty member has been proposed for termination or suspension without pay during the term of their contract, the procedures in Policy DMAA (Local) and its affiliated regulations will govern.~~

~~A party may appeal the findings where it is alleged that procedural error or previously unavailable relevant evidence could significantly impact the outcome of the case through the applicable regulation. [See DIAB(REGULATION) for employees, FFDB(REGULATION) for students, and GB(LOCAL) for community members]~~

FREEDOM FROM DISCRIMINATION, HARASSMENT, AND RETALIATION
OTHER PROTECTED CHARACTERISTICS

DIAB
(LOCAL)

External Review

The applicable College District regulation shall notify parties of their right to file a complaint with appropriate state or federal agencies, including the Equal Employment Opportunity Commission and Texas Workforce Commission, as may be appropriate.

~~The party may have a right to file a complaint with appropriate state or federal agencies.~~

Conflicts of Interest

Individuals who serve as investigators, decisionmakers, or appeal officers shall not have a conflict of interest or bias against any party to a dispute under this policy. In addition, when a faculty member is a grievant, no other faculty member may be involved in decision-making regarding the complaint.

In the event of an actual conflict of interest or bias, the College District will appoint a different investigator, decisionmaker, or appeal officer.

Bias is a form of prejudice and can be positive (e.g., favoring a party) or negative (e.g., disfavoring a party). A conflict of interest exists when personal or private interests are likely to compromise one's judgment. Conflicts and bias do not exist merely because the individual (i) is an employee of the College District, (ii) was an investigator, decisionmaker, or hearing officer in a prior matter, or (iii) is a particular sex, race, religion, national origin, or other protected status.

Records Retention

Retention of records shall be in accordance with the College District's records retention procedures. [See CIA]

Access to Policy, Procedures, and Related Materials

Information regarding this policy and any accompanying procedures, as well as relevant educational and resource materials concerning the topics discussed in this policy, shall be distributed annually to College District employees and students in compliance with law and in a manner calculated to provide easy access and wide distribution, such as through electronic distribution and inclusion in the student handbook and other major College District publications. Information regarding the policy, procedures, and related materials shall also be prominently published on the College District's website, taking into account applicable legal requirements. Copies of the policy and procedures shall be readily available at the College District's administrative offices and shall be distributed to an employee who makes a report.

ACTION ITEM

Meeting Date: December 3, 2025

Consent Agenda

ITEM #	ITEM TITLE	PRESENTER
12.	Proposed Revisions to DMAA (Local) and DMAB (Local) - SB 37-Related Policies	Dr. Margaret Ford Fisher Dr. Nicole Montgomery Dr. Melissa Mihalick Rodney Nathan

RECOMMENDATION

Approve the proposed revisions to the DMAA (LOCAL) and DMAB (LOCAL) policies, as presented in the attached materials.

COMPELLING REASON AND BACKGROUND

SB 37 amends existing law relating to the governance of public institutions of higher education, including review of curriculum and certain degree and certificate programs, a faculty council or senate, training for members of the governing board, faculty and administrative leadership hiring decisions, annual evaluation of individuals holding certain leadership positions, the faculty grievance policies, and the establishment, powers, and duties of the Texas Higher Education Coordinating Board Office of the Ombudsman. SB 37 became law during the 89th regular legislative session and requires compliance by higher education institutions, including Houston City College (HCC).

This item presents an overview of the policies pertaining to SB 37, as listed below:

- **DMAA (Local): Term Contracts - Termination Mid-Contract**
- **DMAB (Local): Term Contracts – Nonrenewal**

LEGAL REQUIREMENT

Senate Bill 37

STRATEGIC ALIGNMENT

1. Student Success, 3. Academic Rigor , 4. Community Investment , 5. College of Choice

ATTACHMENTS:

Description	Upload Date	Type
DMAA(LOCAL)	10/23/2025	Attachment
DMAB(LOCAL)	10/23/2025	Attachment

This item is applicable to the following: District

TERM CONTRACTS
TERMINATION MID-CONTRACT

DMAA
(LOCAL)

Appeals

For good cause the Chancellor (or designee) may terminate the employment of an employee prior to expiration of the employee's contract. Good cause includes action necessitated by a reduction in force (RIF) that has been authorized by the Board.

The Administration shall prepare an administrative regulation that provides for the review of any proposal to terminate an employee who holds a contract. The review process will include an evaluation of the evidence and a review by legal counsel to ensure compliance with applicable law. The administrative regulation will provide constitutionally required due process, including giving the affected employee notice of the charges and a meaningful opportunity to challenge the charge at a hearing. The hearing shall be conducted by an unbiased hearing officer.

An employee who has been proposed for termination ~~may be terminated~~ mid-contract for good cause ~~may request a hearing by the Chancellor following a hearing held, if an employee makes such a request~~ in accordance with DMAA(REGULATION), ~~for that purpose in accordance with law or as a result of a reduction in force (RIF) that has been authorized by the Board.~~ If the employee does not timely request a hearing by the deadline specified in the regulation, then the termination will become final.

If the employee timely requests a hearing, the Administration shall provide a hearing in accordance with the applicable regulation that pertains to terminations mid-contract. The Chancellor (or designee) shall review the report of the hearing officer and the record of the hearing in deciding whether to approve, reject, or modify the decision. The decision of the Chancellor or designee is final. However, the affected employee may address the Board of Trustees at the next regular meeting in accordance with the provision for hearing of citizens. ~~Appeals related to this policy may be submitted through DGBA(LOCAL) beginning at the appropriate level.~~

Faculty Members

When a contract faculty member has been proposed for termination and requests a hearing, the hearing provided under this policy and its affiliated regulation ~~Alternatively, a full-time faculty member, as defined by Education Code 51.960, may first present to the designated member of the administration a request for a hearing on an issue related to the faculty member's termination.~~

~~The request~~ shall constitute the ~~faculty member's request to present a grievance~~ specified in Texas ~~pursuant to~~ Education Code 51.960. ~~The, and the~~ hearing process set forth in DMAA(REGULATION) shall constitute the College District's method for reviewing and acting on the faculty member's grievance. ~~The Chancellor's~~

TERM CONTRACTS
TERMINATION MID-CONTRACT

DMAA
(LOCAL)

**Board Action to
Overturn a Hiring
Decision**

~~decision on the hearing officer's report as provided by DMAA(REG-
ULATION) may be appealed through Level Four of DGBA(LOCAL).~~

The Board may overturn a hiring decision for the position of vice president or dean or similar position. If the overturning of a hiring decision would result in termination of a contract prior to expiration of the contract or would otherwise deprive the employee of a constitutionally protected interest in employment, the affected employee shall receive due process in accordance with this policy and DMAA (Regulation). If the employee timely requests a hearing, a hearing will be held before an unbiased hearing officer in accordance with the process described in DMAA (Regulation). However, following the hearing, the Board, rather than the Chancellor, shall receive and review the hearing officer's report and the record of the hearing. The Board will decide whether to accept, reject, or modify the decision.

Effective Date

~~This policy shall be effective as of the adoption date, September 22, 2021. December ____, 2025.~~

Nonrenewal

An employee may be nonrenewed by the Chancellor at the end of the employee's contract term. The employee may be nonrenewed for any reason or no reason provided that the ~~decision~~ reason is ~~shall not be~~ based on the employee's exercise of rights guaranteed by law or ~~be~~ based unlawfully on the employee's race, color, religion, sex, national origin, disability, ~~or~~ age, or other status protected by law.

The Chancellor or designee shall provide written notice of nonrenewal to the affected employee.

**Nonrenewal of
Administrator
Contract**

A decision not to renew an administrator contract is not subject to appeal. However, the employee may address the Board of Trustees at the next regular meeting in accordance with the provision for hearing of citizens.

**Grievance Rights of
Faculty Who Receive
Notice of
Nonrenewal Filed
Under Education
Code 51.960**

A faculty member who receives a notice of nonrenewal may file a grievance as stated in this policy on an issue related to his or her nonrenewal. This policy provides the grievance process mandated by Texas Education Code 51.960.

The faculty member must submit their written grievance within seven working days after receipt of the notice of nonrenewal. The employee's grievance shall state the grounds in support of the grievance. The grievance shall be submitted to ~~The Board designates~~ the Chief Human Resources Officer who will facilitate the grievance process. ~~or Director of Employee Relations as the person(s) to whom a faculty member may present a grievance under Education Code 51.960 on an issue related to his or her nonrenewal.~~ The Chief Human Resources Office shall notify the Chancellor of the filing of the grievance. The Chancellor shall hear the grievance or may designate another administrator, including the chief academic officer, to hear the grievance.

The Chief Human Resources Officer or designee will facilitate the scheduling of a grievance conference as promptly as possible. The grievance conference typically will take place within 15 working days unless there are extenuating circumstances or unless the faculty member agrees to a later date.

At the grievance conference, the faculty member may present information on any issues related to the non-renewal of his/her contract. The Chancellor or designee will prepare a written decision on the grievance within 15 working days. The Chancellor or designee's decision is final; however, the employee may address the Board of Trustees at the next regular meeting in accordance with the provision for hearing of citizens.

~~It is recommended that the faculty member file a request to present the grievance within seven business days after notice of nonrenewal.~~

~~Once a request to present a grievance has been filed, the conference shall be scheduled within seven business days.~~ Actual separation may not occur until after a hearing determination has been ~~delivered~~ issued.

ACTION ITEM

Meeting Date: December 3, 2025

Consent Agenda

ITEM #	ITEM TITLE	PRESENTER
13.	Proposed New Policy EFAA (Local) Instructional Programs and Courses: Academic Courses (SB 37 Related)	Dr. Margaret Ford Fisher Dr. Nicole Montgomery Dr. Melissa Mihalick Dr. Norma Perez Dr. Remmele J. Young

RECOMMENDATION

Approve the policy EFAA (Local) Instructional Programs and Courses: Academic Courses, as set forth in the attached.

COMPELLING REASON AND BACKGROUND

SB 37 amends existing law relating to the governance of public institutions of higher education, including review of curriculum and certain degree and certificate programs, a faculty council or senate, training for members of the governing board, faculty and administrative leadership hiring decisions, annual evaluation of individuals holding certain leadership positions, the faculty grievance policies, and the establishment, powers, and duties of the Texas Higher Education Coordinating Board Office of the Ombudsman. SB 37 became law during the 89th regular legislative session and requires compliance by higher education institutions, including Houston City College (HCC).

EFAA (Local) addresses the governing board's review and approval process for the college's General Education Curriculum, including any modifications to that curriculum.

LEGAL REQUIREMENT

Senate Bill 37

STRATEGIC ALIGNMENT

1. Student Success, 3. Academic Rigor , 4. Community Investment , 5. College of Choice

ATTACHMENTS:

Description	Upload Date	Type
Overview EFAA(LOCAL)	11/19/2025	Presentation
EFAA(LOCAL) Option 1	11/19/2025	Attachment
EFAA(LOCAL) Option 2	11/19/2025	Attachment

This item is applicable to the following: District



COMPOSITION OF THE CURRICULUM COMMITTEE

Framework for Decision-making

LEGAL AND REGULATORY PARAMETERS

SENATE BILL 37

- Board reviews the core curriculum every five years. Board “may” appoint a committee “to assist the governing board in carrying out its duties,” including “making recommendations to the governing board.” Members can be full-time faculty, administrators, community leaders, industry representatives, and others selected by the Board.
- Evaluation process will focus on curriculum that is: foundational and fundamental to postsecondary education; necessary to prepare students for civic and professional life; equip students for participation in workforce and betterment of society; ensure breadth of knowledge in compliance with applicable accreditation standards. Board will consider curriculum efficiency (potential cost to students, time to complete undergraduate program).

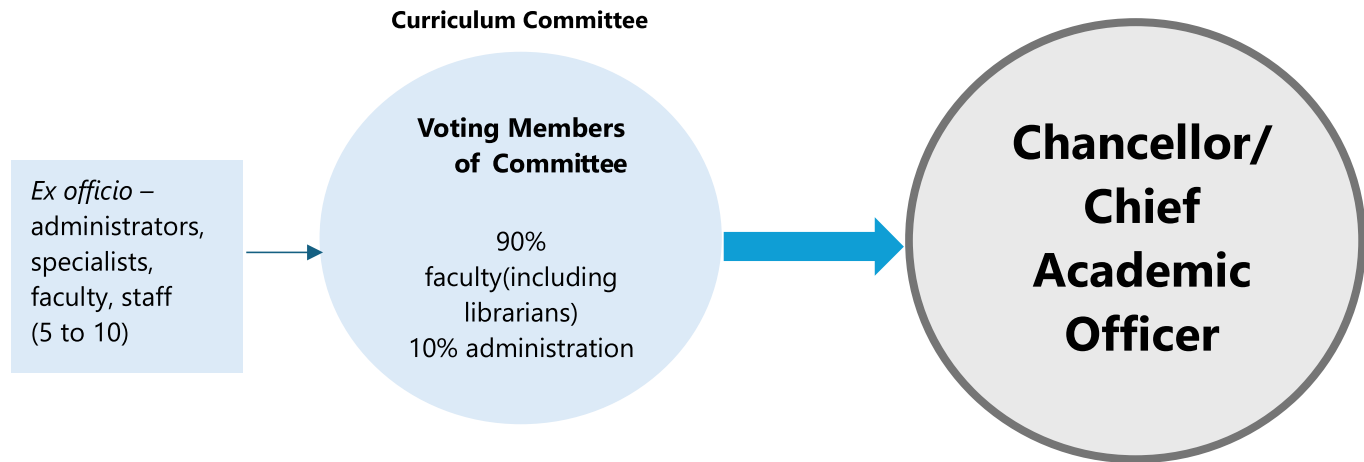
SACSCOC (excerpts from accreditation principles and resource manual)

- The institution must place “primary responsibility for the content, quality, and effectiveness of the curriculum with its faculty.”
- “The tradition of shared governance within American higher education recognizes the importance of both faculty and administrative involvement in the approval of educational programs. Because student learning is central to the institution’s mission and educational degrees, the faculty has responsibility for directing the learning enterprise including overseeing and coordinating educational programs to ensure that each contains essential curricular components, has appropriate content and pedagogy, and maintains discipline currency.”
- The individuals “responsible for overseeing the curricular content aspects of program coordination” must be “qualified in fields appropriate to the curricular content (and degree level) of the program.”
- “Institutional policies concerning the role of faculty in academic matters should make clear that the faculty has primary responsibility for the content, quality, and effectiveness of the curriculum. Documentation should include evidence that faculty actively assume these responsibilities. While department chairs may take a major role in these processes, the evidence should show broad faculty involvement in what are considered fundamental faculty roles.”
- “If responsibility for coordinating curriculum development and review is assigned to persons other than faculty with qualifications in fields related to the content, the institution would need to provide appropriate documentation and explanation as to how the quality of the educational program can be maintained.”

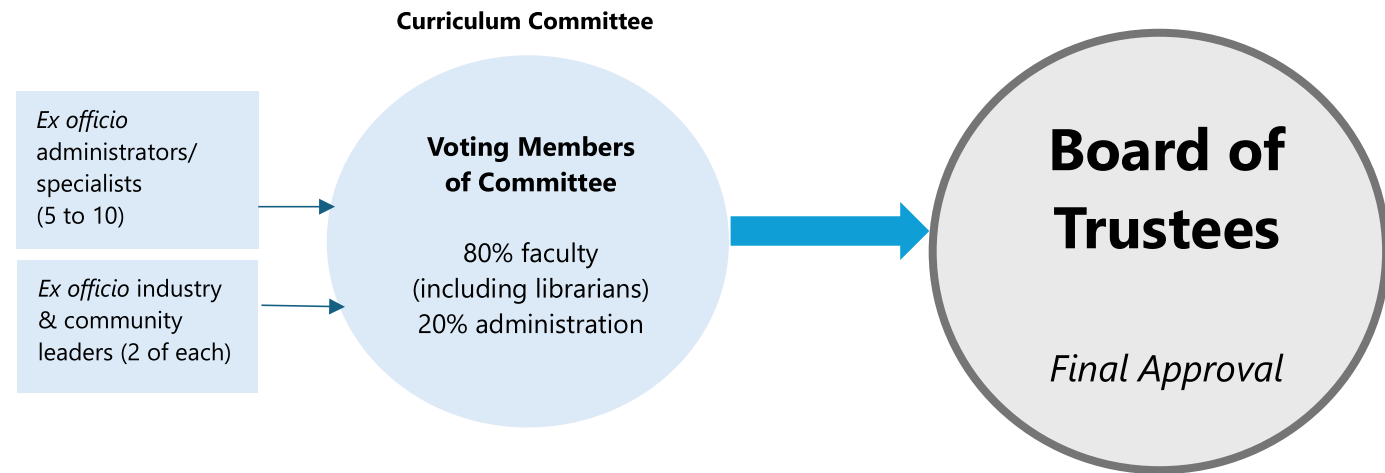
HISTORICAL APPROACHES/COMMON THEMES SEEN IN CURRICULUM COMMITTEES

- Often ranges from 12 to 21 members
- Terms of office are two to three years and are staggered to ensure continuity and experience.
- Committee chair is a full-time faculty member.
- A majority of committee members are full-time faculty with extensive experience and expertise. Some committees include part-time faculty who have valuable experience and expertise.
- Faculty members typically are representative of the academic departments or divisions of the institutions. Sometimes there is an at-large faculty member.
- Other members often include instructional/academic administrators, professional librarians, academic deans, academic advisors, a dean of counseling or similar position, accreditation specialist, curriculum specialists, institutional research or assessment, or others with valuable perspectives and backgrounds who can assist the committee in its work. Non-faculty members often serve *ex officio*. Some colleges permit a non-voting student member.
- The mission of the committee must be well-defined and communicate the rigor, commitment, and expertise necessary to perform the work and to meet internal deadlines.
- Industry representatives are not commonly seen on a general curriculum committee but they often are involved in providing input to other committees focused on a specific discipline.

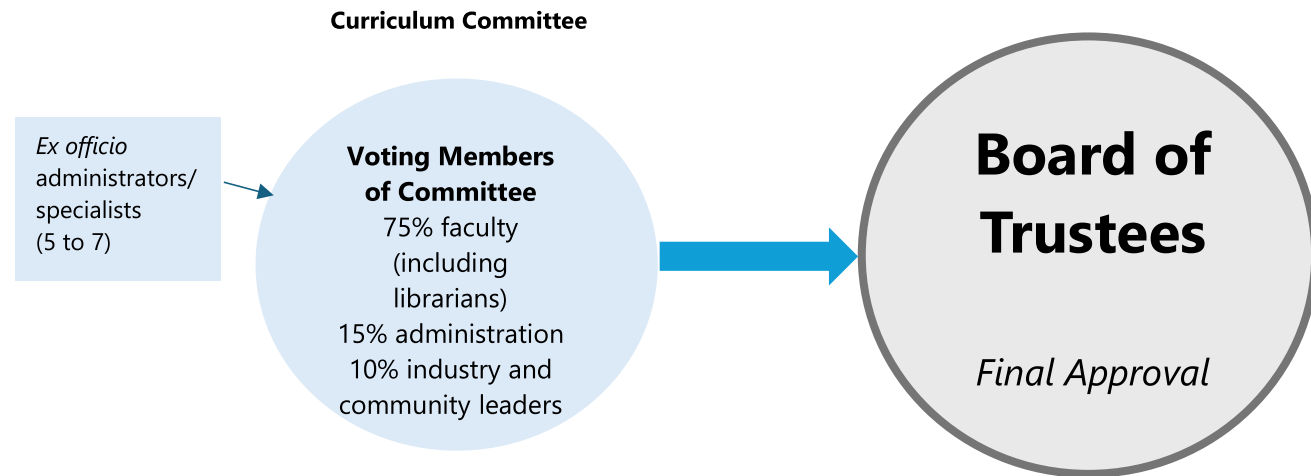
Pre-SB 37



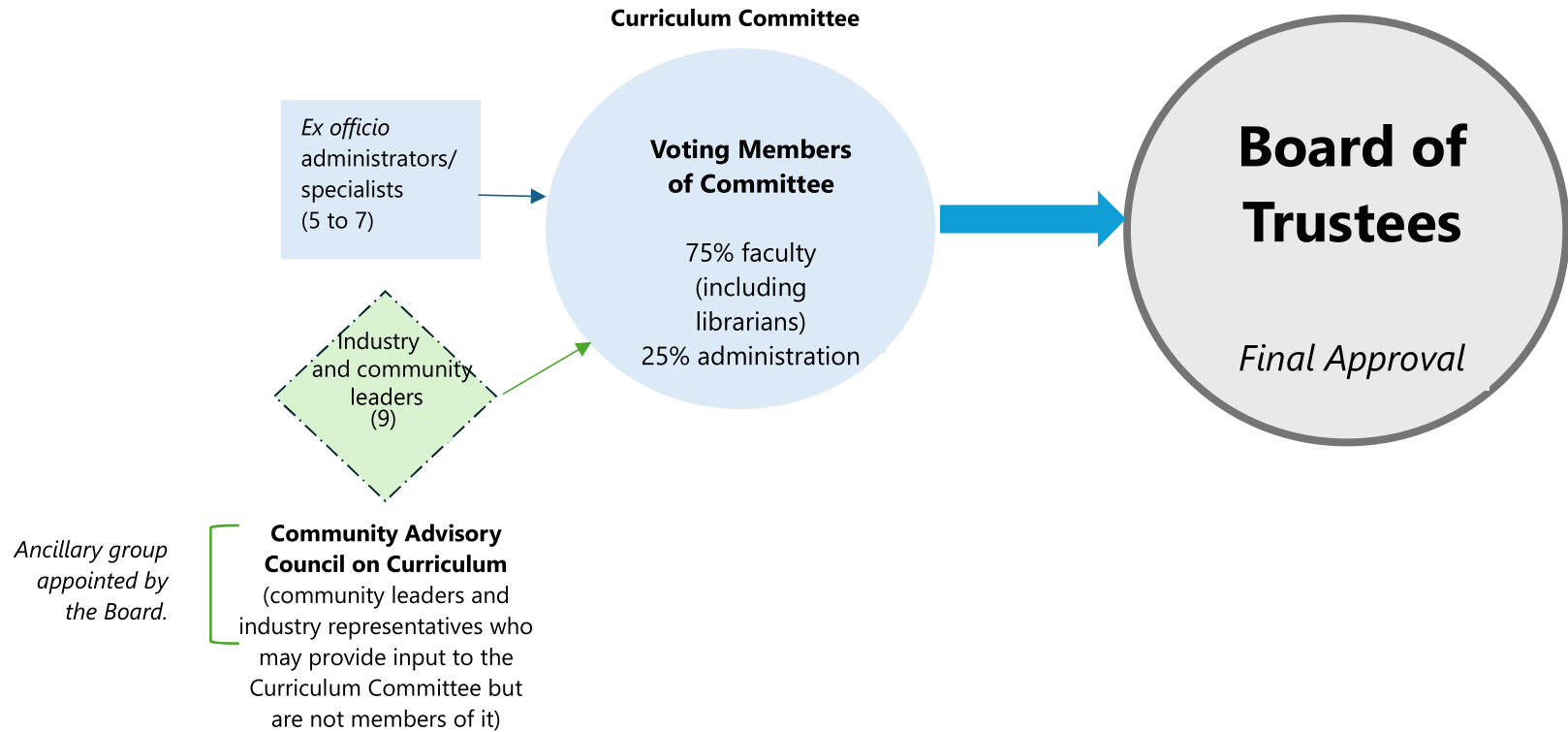
Sample No. 1: Post-SB 37



Sample No. 2: Post-SB 37



Sample No. 3: Post-SB 37



INSTRUCTIONAL PROGRAMS AND COURSES
ACADEMIC COURSES

OPTION 1: The five-year committee consists of the regular annual curriculum committee plus nine non-voting members representing the community and industry.

EFAA
(LOCAL)

Objective	The College District's mission is to transform lives through learning. The curriculum is central to this vision and should be organized to facilitate student learning in compliance with legal requirements and accreditation standards. The curriculum, as a whole, must reflect a commitment to excellence and the achievement of high standards in the academic program.
Annual Curriculum Review by the College Administration	The College District shall thoroughly evaluate the core curriculum every year. With oversight from the Chancellor and others designated by the Chancellor, this effort shall be led by a Core Curriculum Council or similarly titled committee consisting of 21 (twenty-one) College District employees whose members possess the experience, expertise, and knowledge necessary to perform the review. Three-fourths of the members shall be full-time faculty. The College Administration will annually submit to the Board a written update regarding any changes to the general education curriculum for the upcoming year. The Board reserves the right to overturn any decision or recommendation made by the College Administration regarding the general education curriculum. The Board will consider applicable legal, regulatory, and accreditation requirements when making decisions affecting the curriculum.
Board Review Every Five Years	At least once every five years, the Board will conduct a comprehensive review of the general education curriculum. In addition to ensuring compliance with other legally applicable requirements and accreditation standards, the Board will ensure that the courses in the College District's general education curriculum: (1) are foundational and fundamental to a sound postsecondary education; (2) are necessary to prepare students for civic and professional life; (3) equip students for participation in the workforce and in the betterment of society; and (4) ensure a breadth of knowledge in compliance with applicable accreditation standards. The Board's review also will consider the potential costs the curriculum may impose on students such as additional tuition, fees, and the time a student must spend to complete an undergraduate degree program.
Certification to the State	Upon completion of each five-year review of the general education curriculum, the Board will certify compliance to the Texas Higher Education Coordinating Board and each standing legislative committee and subcommittee with primary jurisdiction over higher education.

INSTRUCTIONAL PROGRAMS AND COURSES
ACADEMIC COURSES

EFAA
(LOCAL)

Board's
Inaugural
Review

The Board's inaugural review of the general education curriculum will occur between January 1, 2026, and December 1, 2026. The Board's certification to the state will be submitted no later than December 31, 2026.

Five-Year
Curriculum
Review
Committee

In conjunction with its inaugural review of the general curriculum and each subsequent five-year review of the general curriculum, the Board will appoint a Five-Year Core Curriculum Advisory Committee to make written recommendations to the Board. **The Five-Year Committee will consist of the following:**

- 1) The members of the College Administration's Core Curriculum Council (or similarly titled committee); and
- 2) Nine citizens (community members and representatives from industry) whose experiences reflect a wide range of disciplines and expertise appropriate and relevant to the evaluation of curriculum. The Board will appoint the citizen members of the Five-Year Committee.

The College District members of the Five-Year Committee will be voting members. The citizen members will serve in a non-voting advisory capacity.

Upon appointment of the Five-Year Committee, the Board will provide the committee with a timetable and other instructions as may be appropriate for conducting their review and making recommendations to the Board. The Board may identify new or different criteria for the committee to consider when conducting its review.

After the Board submits its curriculum certification to the state, the Five-Year Committee will dissolve.

INSTRUCTIONAL PROGRAMS AND COURSES
ACADEMIC COURSES

OPTION 2: The five-year committee consists of the regular annual curriculum committee plus four voting members representing the community and industry.

EFAA
(LOCAL)

Objective	The College District's mission is to transform lives through learning. The curriculum is central to this vision and should be organized to facilitate student learning in compliance with legal requirements and accreditation standards. The curriculum, as a whole, must reflect a commitment to excellence and the achievement of high standards in the academic program.
Annual Curriculum Review by the College Administration	The College District shall thoroughly evaluate the core curriculum every year. With oversight from the Chancellor and others designated by the Chancellor, this effort shall be led by a Core Curriculum Council or similarly titled committee consisting of 21 (twenty-one) College District employees whose members possess the experience, expertise, and knowledge necessary to perform the review. Three-fourths of the members shall be full-time faculty. The College Administration will annually submit to the Board a written update regarding any changes to the general education curriculum for the upcoming year. The Board reserves the right to overturn any decision or recommendation made by the College Administration regarding the general education curriculum. The Board will consider applicable legal, regulatory, and accreditation requirements when making decisions affecting the curriculum.
Board Review Every Five Years	At least once every five years, the Board will conduct a comprehensive review of the general education curriculum. In addition to ensuring compliance with other legally applicable requirements and accreditation standards, the Board will ensure that the courses in the College District's general education curriculum: (1) are foundational and fundamental to a sound postsecondary education; (2) are necessary to prepare students for civic and professional life; (3) equip students for participation in the workforce and in the betterment of society; and (4) ensure a breadth of knowledge in compliance with applicable accreditation standards. The Board's review also will consider the potential costs the curriculum may impose on students such as additional tuition, fees, and the time a student must spend to complete an undergraduate degree program.
Certification to the State	Upon completion of each five-year review of the general education curriculum, the Board will certify compliance to the Texas Higher Education Coordinating Board and each standing legislative committee and subcommittee with primary jurisdiction over higher education.

INSTRUCTIONAL PROGRAMS AND COURSES
ACADEMIC COURSES

EFAA
(LOCAL)

Board's
Inaugural
Review

The Board's inaugural review of the general education curriculum will occur between January 1, 2026, and December 1, 2026. The Board's certification to the state will be submitted no later than December 31, 2026.

Five-Year
Curriculum
Review
Committee

In conjunction with its inaugural review of the general curriculum and each subsequent five-year review of the general curriculum, the Board will appoint a Five-Year Core Curriculum Advisory Committee to make written recommendations to the Board. [The Five-Year Committee will consist of the following:](#)

- 1) [The members of the College Administration's Core Curriculum Council \(or similarly titled committee\); and](#)
- 2) [Four citizens \(community members and representatives from industry\) whose experiences reflect a wide range of disciplines and expertise appropriate and relevant to the evaluation of curriculum. The Board will appoint the citizen members of the Five-Year Committee.](#)

[All members of the Five-Year Committee will be voting members.](#)

Upon appointment of the Five-Year Committee, the Board will provide the committee with a timetable and other instructions as may be appropriate for conducting their review and making recommendations to the Board. The Board may identify new or different criteria for the committee to consider when conducting its review.

After the Board submits its curriculum certification to the state, the Five-Year Committee will dissolve

ACTION ITEM

Meeting Date: December 3, 2025

Consent Agenda

ITEM #	ITEM TITLE	PRESENTER
14.	Monthly Investment Report, Financial Statement and Budget Review for October 2025	Dr. Margaret Ford Fisher Robert McCracken

RECOMMENDATION

Accept the Investment Report, Financial Statement and Budget Review for the month of October 2025.

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 63% 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 analysis 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 October, the interest income earned for the month and fiscal year to date totaled \$1,860,847 and \$5,398,228, respectively. The weighted average interest rate (WAR) on October 31, 2025, was 4.02% compared to 4.08% last month and 4.56% a year ago.

Interest expense on outstanding debt was \$1,330,266 for the month of October 2025.

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	11/17/2025	Presentation
Investment Report - October 2025	11/17/2025	Attachment
Financial Statement - October 2025	11/17/2025	Attachment

This item is applicable to the following: District



FY 2026

Summary of October 2025

Monthly Financial Statements

and Budget Review

Dr. Margaret Ford Fisher, Chancellor

Robert McCracken, Vice Chancellor, Administration & Operations

Dawn Stephens, Interim Associate Vice Chancellor,
Finance & Accounting

December 3, 2025

Fund 1: Unrestricted Revenues

	Budget Comparison			Previous Fiscal Year Comparison			
	FY 2026 Adjusted Budget	Year-to-Date Actuals Thru October 31, 2025	Actuals as a % of Budget	Year-to-Date Actuals Thru October 31, 2025	Year-to-Date Actuals Thru October 31, 2024	Increase (Decrease) FY 2026 Compared to FY 2025	% Increase (Decrease)
REVENUES							
State Appropriations	\$ 72,938,399	\$ 37,371,606	51.2% A	\$ 37,371,606	\$ 32,610,174	\$ 4,761,432	14.6%
Ad Valorem Taxes	242,337,151	26,174	0.0% B	26,174	35,068	(8,894)	-25.4%
Tuition & Fees, Net	114,395,960	71,250,756	62.3% C	71,250,756	67,179,724	4,071,032	6.1%
Other Local Income	19,406,390	4,050,597	20.9%	4,050,597	2,083,618	1,966,979	94.4%
Tuition & Fees, Net -- Extended Learning	7,609,984	3,329,669	43.8% D	3,329,669	2,948,102	381,567	12.9%
Grant Revenue - Indirect Cost	650,000	109,562	16.9%	109,562	112,720	(3,158)	-2.8%
Total Revenues	457,337,884	116,138,364	25.4%	116,138,364	104,969,406	11,168,958	10.6%
Fund Balance Transfers In & Rolled POs	17,569,376	17,569,376	100.0%	17,569,376	7,045,981	10,523,395	149.4%
Total Revenues and Fund Balance Transfers	\$ 474,907,260	\$ 133,707,740	28.2%	\$ 133,707,740	\$ 112,015,387	\$ 21,692,353	19.4%

Fund 1: Unrestricted Expenses

	Budget Comparison			Previous Fiscal Year Comparison			
	FY 2026 Adjusted Budget	Year-to-Date Actuals Thru October 31, 2025	Actuals as a % of Budget	Year-to-Date Actuals Thru October 31, 2025	Year-to-Date Actuals Thru October 31, 2024	Increase (Decrease) FY 2026 Compared to FY 2025	% Increase (Decrease)
EXPENSES							
Salaries	263,698,241	47,047,105	17.8%	47,047,105	44,274,701	2,772,404	6.3%
Employee Benefits	39,768,492	5,935,172	14.9%	5,935,172	5,517,340	417,833	7.6%
Supplies & General Expense	6,385,399	781,171	12.2%	781,171	731,498	49,673	6.8%
Travel	1,332,011	23,297	1.7%	23,297	42,886	(19,589)	-45.7%
Marketing Costs	4,247,251	387,446	9.1%	387,446	55,893	331,553	593.2%
Rentals & Leases	477,476	18,886	4.0%	18,886	107,995	(89,109)	-82.5%
Insurance/Risk Mgmt.	10,614,924	4,072,135	38.4% E	4,072,135	3,973,365	98,769	2.5%
Contracted Services	40,075,882	2,459,877	6.1%	2,459,877	2,194,950	264,927	12.1%
Utilities	11,657,218	278,762	2.4%	278,762	492,083	(213,321)	-43.4%
Other Departmental Expenses	5,484,275	285,970	5.2%	285,970	227,964	58,006	25.4%
Instructional & Other Materials	10,878,308	1,664,968	15.3%	1,664,968	1,621,768	43,200	2.7%
Maintenance & Repair	2,788,877	166,211	6.0%	166,211	393,720	(227,509)	-57.8%
Transfers\Debt	44,025,010	25,290,901	57.4% F	25,290,901	19,361,372	5,929,529	30.6%
Contingency/Initiatives	6,477,333	-	0.0%	-	-	-	0.0%
Capital Outlay	15,498,151	2,350,255	15.2%	2,350,255	2,949,663	(599,408)	-20.3%
Scholarship Distribution	11,498,412	228,496	2.0%	228,496	-	228,496	100.0%
Total Expenses	\$ 474,907,260	\$ 90,990,652	19.2%	\$ 90,990,652	\$ 81,945,199	\$ 9,045,454	11.0%
NET REVENUE/(EXPENSES)	-	\$ 42,717,088		\$ 42,717,088	\$ 31,257,689	\$ 11,459,398	

Explanation of Variance Amounts

Variance Code	Notes
A	State appropriations are paid 3 times annually. State appropriations will be within budget by year-end.
B	Taxes are billed in October and collected in December through February.
C	Tuition and Fees collections have increased due an increase in enrollment.
D	Tuition and Fees, Extended Learning collections fluctuate as course offerings fluctuate.
E	Insurance Premiums are paid at irregular intervals, leading to inconsistent monthly costs.
F	Transfers/Debt occur at irregular intervals, debt payments occur twice per year. Transfer/Debt will be within budget by year-end.

Thank You



HOUSTON CITY COLLEGE

MONTHLY INVESTMENT REPORT

For the Month of October 2025

**Prepared by
Finance and Administration Division**

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

/s/ Robert McCracken

Robert McCracken
Vice Chancellor, Administration & Operations

/s/ Dawn Stephens

Dawn Stephens
Interim Associate Vice Chancellor, Finance & Accounting

/s/ Victor Onwumere

Victor Onwumere
Executive Director, Finance & Treasury

HOUSTON CITY COLLEGE
INVESTMENT PORTFOLIO COMPOSITION
October 31, 2025

Beginning Book Value (October 1, 2025)	\$	461,551,099
Beginning Market Value (October 1, 2025)	\$	463,422,490
Additions/Subtractions (Book Value - Net)	\$	8,514,161
Change in Market Value	\$	26,798
Ending Book Value (October 31, 2025)	\$	470,065,260
Ending Market Value (October 31, 2025)	\$	471,886,568
Unrealized Gain/(Loss)	\$	1,821,308
WAM (63% of Portfolio's Weighted Average Maturity)		1 day
WAM (37% of Portfolio's Weighted Average Maturity - Securities Held To Maturity)		289

* Net amount provided/(for) operations	\$	8,440,973
* Net amount provided/(for) CIP/others		73,188
	\$	<u>8,514,161</u>

EXECUTIVE SUMMARY
INVENTORY HOLDINGS REPORT
October 31, 2025

	Ending Book Value	Ending Market Value	Unrealized Gain (Loss)
US Treasuries	\$ 137,851,280	\$ 139,437,378	\$ 1,586,098
US Agencies	35,032,809	35,268,019	235,210
Local Government Pools	149,967,513	149,967,513	-
Money Market Funds	97,153,827	97,153,827	-
Certificate of Deposit	50,000,000	50,000,000	-
Interest Bearing Checking	59,831	59,831	-
Total	<u>\$ 470,065,260</u>	<u>\$ 471,886,568</u>	<u>\$ 1,821,308</u>
WAR (Weighted Average Interest Rate)		<u>4.02%</u>	

INVESTMENTS
INVENTORY HOLDINGS REPORT (OPERATING AND OTHERS)
October 31, 2025

Description	Held At	Coupon Rate	Yield 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	4.0690%	0.0000%	02/22/05	05/01/33	7,377	\$ (1,474)	\$ 7,570	\$ 8,851	\$ (61)	\$ 8,790	\$ 7,506	\$ -	\$ (1,284)
Fannie Mae ARM Pool 805454	Bank of America	4.6720%	0.0000%	12/23/04	12/01/34	8,328	(5,916)	8,565	14,244	(55)	14,189	8,506	-	(5,683)
Federal Farm Credit Bank US Domestic Unsecured	Bank of America	4.2500%	4.3200%	02/12/25	01/28/28	10,000,000	19,430	10,125,377	9,980,570	-	9,980,570	10,122,984	(2,393)	142,414
U.S. Treasury Note US Govt Treasury	Bank of America	4.2500%	4.7300%	03/28/24	10/15/25	5,000,000	35,547	5,000,001	4,964,453	(4,964,453)	-	-	-	-
U.S. Treasury Note US Govt Treasury	Bank of America	4.2500%	4.7350%	03/28/24	10/15/25	5,000,000	35,938	5,000,001	4,964,063	(4,964,063)	-	-	-	-
U.S. Treasury Note US Govt Treasury	Bank of America	5.0000%	5.0300%	04/24/24	10/31/25	5,000,000	2,214	5,003,173	4,997,786	(4,997,786)	-	-	-	-
U.S. Treasury Note US Govt Treasury	Bank of America	4.0000%	5.0160%	04/11/24	12/15/25	10,000,000	162,109	10,000,912	9,837,891	-	9,837,891	10,000,171	(741)	162,280
U.S. Treasury Note US Govt Treasury	Bank of America	3.3800%	3.4940%	09/16/24	09/15/27	10,000,000	33,594	9,955,859	9,966,406	-	9,966,406	9,955,859	-	(10,547)
U.S. Treasury Note US Govt Treasury	Bank of America	2.7500%	4.0060%	10/25/24	07/31/27	15,000,000	15,000,000	14,766,797	14,510,850	-	14,510,850	14,777,930	11,133	267,080
U.S. Treasury Note US Govt Treasury	Bank of America	3.8800%	3.8800%	10/15/24	10/15/27	10,000,000	10,000,000	10,050,781	9,996,484	-	9,996,484	10,048,438	(2,344)	51,953
FARMER MAC DOMESTIC MTN UNSECURED	Bank of America	3.6300%	3.5600%	09/13/24	09/13/27	15,000,000	(27,510)	14,982,654	15,027,510	-	15,027,510	14,982,803	149	(44,707)
FARMER MAC DOMESTIC MTN UNSECURED	Bank of America	4.3500%	4.3430%	02/12/25	01/28/28	10,000,000	(1,750)	10,149,503	10,001,750	-	10,001,750	10,146,220	(3,283)	144,470
U.S. Treasury Note US Govt Treasury	Bank of America	3.7500%	4.1240%	12/5/24	8/31/26	10,000,000	10,000,000	10,000,859	9,937,500	-	9,937,500	9,997,461	(3,399)	59,961
U.S. Treasury Note US Govt Treasury	Bank of America	3.7500%	4.1640%	12/5/24	8/31/26	10,000,000	10,000,000	10,000,859	9,930,859	-	9,930,859	9,997,461	(3,399)	66,602
U.S. Treasury Note US Govt Treasury	Bank of America	0.8800%	4.1540%	12/5/24	6/30/26	10,000,000	10,000,000	9,788,047	9,506,250	-	9,506,250	9,810,693	22,647	304,443
U.S. Treasury Note US Govt Treasury	Bank of America	4.5000%	4.2080%	1/29/25	3/31/26	15,000,000	15,000,000	15,047,578	15,048,633	-	15,048,633	15,039,990	(7,588)	(8,643)
U.S. Treasury Note US Govt Treasury	Bank of America	3.5000%	4.0790%	2/26/25	1/31/28	30,000,000	30,000,000	29,925,000	29,524,219	-	29,524,219	29,933,203	8,203	408,984
U.S. Treasury Note US Govt Treasury	Bank of America	2.7500%	4.0810%	2/26/25	2/15/28	10,000,000	10,000,000	9,803,516	9,631,250	-	9,631,250	9,812,891	9,375	181,641
U.S. Treasury Note US Govt Treasury	Bank of America	3.8800%	4.0150%	3/19/25	3/15/28	10,000,000	10,000,000	10,064,844	9,960,938	-	9,960,938	10,063,281	(1,563)	102,344
Debt Service 2001A Bond Interest Checking	Bank of America		2.0900%				-	-	-	1,309	1,309	1,309	-	-
HCCS Merchant Service	Bank of America		0.7600%				-	-	-	427	427	427	-	-
LTD 2013 Tax Bond General Checking	Bank of America		2.0700%				-	-	-	421	421	421	-	-
Merrill Lynch (Morgan Stanley Govt/Goldman Sachs)	Bank of America		3.9500%				-	-	-	3,186	3,186	3,186	-	-
Money Market 2006 Jr. Lien Debt Reserve	Bank of America		3.9500%				-	-	-	3,150,640	3,150,640	3,150,640	-	-
Debt Service 2001A Bond Interest Checking	JP Morgan Chase		3.9500%				-	1,306.54	1,306.54	(1,306.54)	-	-	-	-
HCCS Merchant Service	JP Morgan Chase		3.9500%				-	4,984.47	4,984.47	(4,984.47)	-	-	-	-
LTD 2013 Tax Bond General Checking	JP Morgan Chase		3.9500%				-	220.33	220.33	57,453.16	57,673.49	57,673.49	-	-
Merrill Lynch (Morgan Stanley Govt/Goldman Sachs)	JP Morgan Chase		0.0000%				-	71,165,540.67	71,165,540.67	22,834,460.33	94,000,001.00	94,000,001.00	-	-
Money Market 2006 Jr. Lien Debt Reserve	JP Morgan Chase		2.0700%				-	3,139,994.01	3,139,994.01	(3,139,994.01)	-	-	-	-
Chase Certificate of Deposit	JP Morgan Chase		3.4200%				-	50,000,000.00	50,000,000.00	-	50,000,000.00	50,000,000.00	-	-
Lone Star (Corporate Overnight Fund)	State Street Bank		4.1943%				-	68,454,229.18	68,454,229.18	247,939.62	68,702,168.80	68,702,168.80	-	-
TexPool - General Funds	State Street Bank		4.0776%				-	12,790,990.08	12,790,990.08	44,994.81	12,835,984.89	12,835,984.89	-	-
TexPool - Prime	State Street Bank		4.2075%				-	68,183,326.39	68,183,326.39	246,032.83	68,429,359.22	68,429,359.22	-	-
TOTAL								\$ 463,422,490	\$ 461,551,099	\$ 8,514,161	\$ 470,065,260	\$ 471,886,568	\$ 26,798	\$ 1,821,308



Summary Operating Statements

**For the Period
September 1, 2025 - October 31, 2025**

For the Meeting of the Board of Trustees - December 3, 2025

**for
Houston City College**

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For the Period September 1, 2025 - October 31, 2025

Houston City College

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Summary of Financial Statements As of October 31, 2025

On June 18, 2025, the Board of Trustees approved the FY 2026 operating budget totaling \$474 million. An additional \$1 million was approved at the August meeting, bringing the total approved budget to \$475 million. The FY 2026 budget included conservative revenue and expense estimates. Included in the FY 2026 budget are fund balance transfers totaling \$17.6 million; \$7.6 million to continue addressing deferred maintenance, and \$9 million for Houston Reconnect scholarships. At the August Board meeting the Board approved an additional \$1M for Connect 2 workforce scholarships.

The Board approved the FY 2026 Auxiliary budget, Restricted Funds budget, and the Capital and Technology Plan budget. The approved FY 2026 Auxiliary Services budget totals \$9.8 million. Overall, this is a 14% increase compared to the prior year, primarily due to annual salary increases, and overhead cost increases for non-payroll expenses. The Restricted budget totals \$151 million for grant activities, financial aid, and payments for employee benefits. Finally, the approved Capital and Technology Plan budget totals \$7.5 million, which is earmarked for the continuation of asset upgrades and replacement of information and instructional technology equipment.

The Unrestricted Fund as of October 31, 2025, total revenues and fund balance are \$133.7 million. This represents 28.2% of the budgeted total of \$474.9 million. Expenses total \$91 million to date, which is 19.2% of the total expense budget of \$474.9 million. Compared with the same period last year, revenues and transfers are higher by 19.4% and expenses are higher by 11%. Actual net revenue is \$42.7 million to date.

Ad Valorem tax revenue collections are lower when compared to last year. Taxes are billed in October and collected during the periods of December through February. Tax revenue will normalize and fall within budget by year end.

State appropriations are 14.6% higher when compared to prior year, 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 6.1% higher than last year at this time. Gross tuition and fee revenues are up 9% 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 29.7% primarily due to Dual Credit waivers.

Continuing Education/Non-credit tuition and fees, net are 12.9% higher than last year at this time. Gross tuition and fees revenues are up by 12.9%.

Actual salaries for FY 2025 are 6.3% higher compared to FY 2025; this is due primarily to a Board approved salary increase of 2% for faculty and full-time employees. Part-time hourly staff received a 1.5% increase. Employee benefits are higher by 7.6% for FY 2026 compared to FY 2025.

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. Expenses are expected to be within budget by year-end.

Debt interest expense for the month totaled 1,330,266 compared to this time in FY 2025 of \$1,550,824.

HOUSTON CITY COLLEGE
Statement of Revenues, Expenses and Fund Balances - All Funds
As of October 31, 2025

	Unrestricted	Restricted	Auxiliary	Loans	Scholarship	Unexpended Plant	Capital and Technology	Retirement of Debt	Investment in Plant	Total
Revenues	\$ 116,138,364	\$ 11,438,702	\$ 2,431,306	\$ 28,372,246	\$ 61,200,626	\$ (28,222,692)	\$ 28,687,500	\$ 2,606,101	\$ 237,828	\$ 222,889,982
Expenses										
Salaries	47,047,105	819,793	152,307	-	384,439	-	-	-	-	48,403,643
Employee Benefits	5,935,172	3,629,747	31,696	-	-	-	-	-	-	9,596,615
Supplies & General Expense	781,572	36,563	82,027	-	-	-	77,983	-	-	978,145
Travel	23,297	7,796	-	-	-	-	-	-	-	31,093
Marketing Costs	387,446	11,291	1,564	-	-	-	-	-	-	400,301
Rentals & Leases	18,485	-	850	-	-	-	-	-	-	19,335
Insurance/Risk Mgmt.	4,072,135	-	-	-	-	-	-	-	-	4,072,135
Contracted Services	2,459,877	31,271	83,335	-	-	2,689	9,500	-	-	2,586,672
Utilities	278,762	-	4,264	-	-	-	-	-	-	283,026
Other Departmental Expenses	285,970	90,875	67,888	-	38,612	-	-	-	-	483,345
Instructional & Other Materials	1,664,968	5,482	454	-	-	34,404	342,735	-	-	2,048,042
Maintenance & Repair	166,211	9,572	-	-	-	-	-	-	-	175,783
Transfers (In)/Out ¹	25,284,701	-	-	-	(300,774)	(29,265,716)	970,216	3,311,573	-	-
Debt	6,200	-	-	-	-	-	-	398,809	-	405,009
Capital Outlay	2,350,255	9,406	4,439	-	-	1,590,864	739,856	-	-	4,694,820
Amortization/Depreciation	-	-	-	-	-	-	-	-	6,105,716	6,105,716
Scholarship Distribution	228,496	-	536,928	28,372,246	61,193,438	-	-	-	-	90,331,108
Total Expenses	90,990,652	4,651,795	965,751	28,372,246	61,315,715	(27,637,759)	2,140,289	3,710,382	6,105,716	170,614,787
Net Revenues/(Expenses)	25,147,712	6,786,907	1,465,555	-	(115,089)	(584,933)	26,547,211	(1,104,281)	(5,867,888)	52,275,195
Other Adjustments and Transfers										
Debt Principal Payments ²	-	-	-	-	-	-	-	-	-	-
Debt Refinancing	-	-	-	-	-	-	-	-	-	-
Capitalization of Assets & CIP ²	-	-	-	-	-	37,600	585,656	-	1,726,752	2,350,008
Transfers of Completed Projects/Assets	-	-	-	-	-	-	-	-	-	-
Transfers of Balances between Funds	-	-	-	-	-	-	-	-	-	-
Total Other Adjustments and Transfers	-	-	-	-	-	37,600	585,656	-	1,726,752	2,350,008
Beginning Fund Balances, Unaudited	45,349,851	897,080	23,605,095	238,698	4,017,685	113,211,233	-	20,049,078	603,653,201	811,021,920
Ending Fund Balances	\$ 70,497,562	\$ 7,683,987	\$ 25,070,651	\$ 238,698	\$ 3,902,596	\$ 112,663,900	\$ 27,132,867	\$ 18,944,797	\$ 599,512,065	\$ 865,647,123

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

²Per 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 CITY COLLEGE
Unrestricted Revenues and Expenses
Comparison to Budget and Previous Fiscal Year
As of October 31, 2025
16.7% of Year

	Budget Comparison			Previous Fiscal Year Comparison			
	FY 2026 Adjusted Budget	Year-to-Date Actuals Thru October 31, 2025	Actuals as a % of Budget	Year-to-Date Actuals Thru October 31, 2025	Year-to-Date Actuals Thru October 31, 2024	Increase (Decrease) FY 2026 Compared to FY 2025	% Increase (Decrease)
REVENUES							
State Appropriations	\$ 72,938,399	\$ 37,371,606	51.2%	\$ 37,371,606	\$ 32,610,174	\$ 4,761,432	14.6%
Ad Valorem Taxes	242,337,151	26,174	0.0%	26,174	35,068	(8,894)	-25.4%
Tuition & Fees, Net	114,395,960	71,250,756	62.3%	71,250,756	67,179,724	4,071,032	6.1%
Other Local Income	19,406,390	4,050,597	20.9%	4,050,597	2,083,618	1,966,979	94.4%
Tuition & Fees, Net -- Extended Learning	7,609,984	3,329,669	43.8%	3,329,669	2,948,102	381,567	12.9%
Grant Revenue - Indirect Cost	650,000	109,562	16.9%	109,562	112,720	(3,158)	-2.8%
Total Revenues	457,337,884	116,138,364	25.4%	116,138,364	104,969,406	11,168,958	10.6%
 Fund Balance Transfers In & Rolled POs	 17,569,376	 17,569,376	 100.0%	 17,569,376	 7,045,981	 10,523,395	 149.4%
Total Revenues and Fund Balance Transfers	\$ 474,907,260	\$ 133,707,740	28.2%	\$ 133,707,740	\$ 112,015,387	\$ 21,692,353	19.4%
EXPENSES							
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Employee Benefits	39,768,492	5,935,172	14.9%	5,935,172	5,517,340	417,833	7.6%
Supplies & General Expense	6,385,399	781,171	12.2%	781,171	731,498	49,673	6.8%
Travel	1,332,011	23,297	1.7%	23,297	42,886	(19,589)	-45.7%
Marketing Costs	4,247,251	387,446	9.1%	387,446	55,893	331,553	593.2%
Rentals & Leases	477,476	18,886	4.0%	18,886	107,995	(89,109)	-82.5%
Insurance/Risk Mgmt.	10,614,924	4,072,135	38.4%	4,072,135	3,973,365	98,769	2.5%
Contracted Services	40,075,882	2,459,877	6.1%	2,459,877	2,194,950	264,927	12.1%
Utilities	11,657,218	278,762	2.4%	278,762	492,083	(213,321)	-43.4%
Other Departmental Expenses	5,484,275	285,970	5.2%	285,970	227,964	58,006	25.4%
Instructional & Other Materials	10,878,308	1,664,968	15.3%	1,664,968	1,621,768	43,200	2.7%
Maintenance & Repair	2,788,877	166,211	6.0%	166,211	393,720	(227,509)	-57.8%
Transfers\Debt	44,025,010	25,290,901	57.4%	25,290,901	19,361,372	5,929,529	30.6%
Contingency/Initiatives	6,477,333	-	0.0%	-	-	-	0.0%
Capital Outlay	15,498,151	2,350,255	15.2%	2,350,255	2,949,663	(599,408)	-20.3%
Scholarship Distribution	11,498,412	228,496	2.0%	228,496	-	228,496	100.0%
Total Expenses	\$ 474,907,260	\$ 90,990,652	19.2%	\$ 90,990,652	\$ 81,945,199	\$ 9,045,454	11.0%
 NET REVENUE/(EXPENSES)	 -	 \$ 42,717,088		 \$ 42,717,088	 \$ 30,070,189	 \$ 12,646,899	

HOUSTON CITY COLLEGE
Auxiliary Revenues and Expenses by Fund
As of October 31, 2025

Auxiliary Funds - Uncommitted Portion

	Main Leasing	Misc. Auxiliary *	Bookstore Commission	Scholarships	Subtotal Uncommitted
Revenues	\$ 954,492	\$ 63,832	\$ 449,293	\$ -	\$ 1,467,617
Expenses					
Salaries	49,785	15,551	-	5,897.67	71,234
Employee Benefits	11,392	2,302	-	80.52	13,775
Supplies & General Expense	5,143	3,574	-		8,717
Travel			-		-
Marketing Costs			-		-
Rentals & Leases			-		-
Insurance/Risk Mgmt.			-		-
Contracted Services	72,662.73	2,256.80	-		74,920
Utilities			-		-
Other Departmental Expenses	4,264	58,264.22	-		62,528
Instructional & Other Materials			-		-
Maintenance & Repair			-		-
Transfers/Debt			-		-
Capital Outlay			-		-
Scholarship Distribution			-	536,927.57	536,928
Total Expenses	143,247	81,949	-	542,906	768,101
Contribution to Fund Balance	\$ 811,245	\$ (18,117)	\$ 449,293	\$ (542,906)	699,515
Beginning Fund Balance, Unaudited					19,421,438
Ending Fund Balance					\$ 20,120,954

* Expenditures in this category include Government Relations, Mobile Go, etc.

HOUSTON CITY COLLEGE
Auxiliary Revenues and Expenses By Fund
As of October 31, 2025

Auxiliary Funds - International and Committed Portions

	<u>International</u>		<u>Committed</u>				<u>Total</u>
	Other International Initiatives	Subtotal International	Student Vending Commission	Student Activity Fee	Student Athletic Fee	Subtotal Committed	Total Auxiliary
Revenues	\$ -	\$ -	\$ -	\$ 547,827	\$ 415,862	\$ 963,690	\$ 2,431,306
Expenses							
Salaries	-	-	-	12,473.65	68,598.50	81,072	152,307
Employee Benefits	-	-	-	1,050.81	16,870.34	17,921	31,696
Supplies & General Expense	4,407	4,407	-	58,969.76	11,950.73	70,920	84,045
Travel		-	-			-	-
Marketing Costs		-	-			-	-
Rentals & Leases		-	-			-	-
Insurance/Risk Mgmt.		-	-			-	-
Contracted Services		-	-	3,150	10,555	13,705	88,624
Utilities		-	-			-	-
Other Departmental Expenses		-	-	4,899.21	4,725	9,624	72,152
Instructional & Other Materials		-	-			-	-
Maintenance & Repair		-	-			-	-
Transfers/Debt		-	-			-	-
Capital Outlay		-	-			-	-
Scholarship Distribution		-	-			-	536,928
Total Expenses	4,407	4,407	-	80,543	112,699	193,243	965,751
Contribution to Fund Balance	(4,407)	(4,407)	-	467,284	303,163	770,447	1,465,555
Beginning Fund Balance, Unaudited		1,399,422	(1,284,080)	2,083,297	1,985,018	2,784,235	23,605,095
Ending Fund Balance	\$ 1,395,015		\$ (1,284,080)	\$ 2,550,581	\$ 2,288,181	\$ 3,554,682	\$ 25,070,651

HOUSTON CITY COLLEGE
Unrestricted Adjusted Budgets and Actuals by Division - Summary Comparison
As of October 31, 2025
16.7% of Year

Division	FY 2026 Adjusted Budget	Actuals as of October 31, 2025	% Spent	FY 2025 Adjusted Budget	Actuals as of October 31, 2024	% Spent
Central College	\$ 16,803,877	\$ 2,931,896	17.4%	\$ 15,792,164	2,534,112	16.0%
Northwest College	20,516,787	3,437,486	16.8%	19,734,497	2,975,784	15.1%
Northeast College	18,697,345	3,160,366	16.9%	17,616,833	2,756,684	15.6%
Southwest College	17,888,603	3,359,053	18.8%	16,542,202	2,954,561	17.9%
Southeast College	18,976,046	3,507,928	18.5%	18,156,434	3,483,833	19.2%
Coleman College	24,353,536	3,659,293	15.0%	22,951,870	3,378,340	14.7%
Academic Instruction	86,415,385	16,529,684	19.1%	84,773,614	15,834,980	18.7%
Office of the Chancellor	12,591,022	1,845,847	14.7%	12,000,057	1,500,834	12.5%
Instructional Services	13,563,286	1,230,170	9.1%	13,297,196	1,140,046	8.6%
Online College	3,609,277	537,577	14.9%	3,481,608	493,909	14.2%
Student Services	11,232,113	1,150,634	10.2%	11,808,845	1,227,097	10.4%
Strategy, Planning & Institutional Effectiveness	5,586,750	673,288	12.1%	5,766,104	653,437	11.3%
External & Governmental Relations, Transfers and Alumni Relations	2,310,097	253,633	11.0%	2,111,609	160,047	7.6%
Legal & Compliance	19,587,756	4,797,379	24.5%	18,091,638	4,703,826	26.0%
Finance & Accounting	87,211,223	10,854,282	12.4%	82,785,461	13,183,498	15.9%
System	106,842,826	32,012,536	30.0%	116,277,416	24,283,537	20.9%
Grand Total	\$ 474,907,260	\$ 90,990,652	19.2%	\$ 467,949,237	\$ 81,945,199	17.5%

HOUSTON CITY COLLEGE

Balance Sheet by Fund

As of October 31, 2025

	CURRENT & LOAN FUNDS ¹	PLANT & BOND FUNDS ²	TOTAL ALL FUNDS	PRIOR YEAR TOTAL ALL FUNDS
ASSETS				
Current Assets:				
Cash & cash equivalents	\$ 163,618,826	\$ 130,787,528	\$ 294,406,354	\$ 222,525,282
Accounts receivable (net)	48,340,782	-	48,340,782	33,361,251
Deferred charges	3,561,324	2,949,363	6,510,686	12,374,580
Prepays	4,986,651	-	4,986,651	9,098,114
Total Current Assets	220,507,583	133,736,891	354,244,473	277,359,227
Non-current Assets:				
Restricted cash & cash equivalents	-	23,931,915	23,931,915	34,810,115
Restricted long-term investments	-	-	-	-
Long-term investments	174,689,385	-	174,689,385	219,554,291
Long-term lease receivable	18,241,761	-	18,241,761	18,241,761
Capital assets, net	9,020,404	1,121,762,066	1,130,782,470	1,134,300,351
Total Non-current Assets	201,951,550	1,145,693,981	1,347,645,531	1,406,906,518
Total Assets	\$ 422,459,133	\$ 1,279,430,872	\$ 1,701,890,004	\$ 1,684,265,745
Deferred Outflows of Resources:				
OPEB	12,647,768	-	12,647,768	12,647,768
Pension	19,860,348	-	19,860,348	19,860,348
Advance Funding Valuation	-	1,300,727	1,300,727	1,300,727
Total Deferred Outflows of Resources	\$ 32,508,116	\$ 1,300,727	\$ 33,808,843	\$ 33,808,843
Total Assets and Deferred Outflows of Resources	\$ 454,967,249	\$ 1,280,731,599	\$ 1,735,698,848	\$ 1,718,074,588
LIABILITIES				
Current Liabilities:				
Accounts payable	20,437,497	137,747	20,575,244	17,734,123
Accrued Interest- SBITA	466,208	-	466,208	466,208
Accrued liabilities	853,741	608,222	1,461,963	8,552,333
Compensated absences	13,405,896	-	13,405,896	13,405,896
Funds held for others	657,539	189,209	846,748	841,776
Deferred revenue	999,852	-	999,852	33,120,650
SBITA- Current portion	5,435,692	-	5,435,692	5,435,692
Net OPEB liability-current portion	4,009,122	-	4,009,122	4,009,122
Notes payable-current portion	-	728,033	728,033	728,033
Bonds payable-current portion	-	37,570,000	37,570,000	37,570,000
Total Current Liabilities	46,265,547	39,233,211	85,498,758	121,863,833
Non-current Liabilities:				
SBITA Liability	137,226,159	-	137,226,159	3,120,956
Net OPEB liability	91,994,941	-	91,994,941	137,226,159
Net pension liability	3,120,956	-	3,120,956	91,994,941
Notes payable	-	1,042,536	1,042,536	1,042,536
Bonds payable	-	473,846,086	473,846,086	473,846,086
Total Non-current Liabilities	232,342,056	474,888,622	707,230,678	707,230,678
Total Liabilities	\$ 278,607,603	\$ 514,121,833	\$ 792,729,436	\$ 829,094,511
Deferred Inflows of Resources:				
Leases	20,592,408	-	20,592,408	21,228,275
OPEB	41,352,953	-	41,352,953	41,352,953
Pension	7,020,792	-	7,020,792	7,020,792
Advance Funding Valuation	-	8,356,137	8,356,137	8,356,137
Total Deferred Inflows of Resources	\$ 68,966,153	\$ 8,356,137	\$ 77,322,290	\$ 77,958,157
Total Liabilities and Deferred Inflows of Resources	\$ 347,573,756	\$ 522,477,970	\$ 870,051,726	\$ 907,052,668
Fund Balance	\$ 143,851,530	\$ 765,309,039	\$ 909,160,569	477,539,568
Beginning Fund Balances, Unaudited	74,108,409	736,913,511	811,021,920	734,321,024
Net Revenue/(Expenses)				
Unrestricted	26,613,267	-	26,613,267	(22,031,369)
Restricted	6,671,818	-	6,671,818	674,395
Net Investment in Plant	-	21,340,118	21,340,118	98,057,870
Ending Fund Balances	\$ 107,393,493	\$ 758,253,629	\$ 865,647,123	\$ 811,021,920
Total Liabilities & Fund Balances	\$ 454,967,249	\$ 1,280,731,599	\$ 1,735,698,848	\$ 1,718,074,588

¹ Includes Unrestricted, Restricted, Loan & Endowment, Scholarship, Agency and Auxiliary Funds.

² Includes Unexpended Plant, Retirement of Debt and Investment in Plant Funds.

HOUSTON CITY COLLEGE

Exemptions and Waivers Detail

As of October 31, 2025

	FY 2025		FY 2026	
	Prior Year Activity thru 8/31/2025	Year-to-Date Activity thru 10/31/2024	Year-to-Date Activity thru 10/31/2025	Actuals % Increase/ (Decrease)YTD vs. Prior YTD
Tuition & Fees				
Budget:				
Adjusted Budget, Annual*	\$ 126,237,802	\$ 67,179,724	\$ 114,395,960	70.3%
Revenues:				
Gross Tuition & Fees	151,515,167	76,775,579	83,694,973	9.0%
Waivers & Exemptions:				
Dual Credit & Early College HS	(19,222,225)	(8,510,444)	(11,187,929)	31.5%
Other	(2,947,494)	(1,085,411)	(1,256,288)	15.7%
Total Waivers & Exemptions	(22,169,719)	(9,595,855)	(12,444,217)	29.7%
Total Tuition & Fees Revenue, Net	\$ 129,345,448	\$ 67,179,724	\$ 71,250,756	6.1%

Tuition & Fees - Extended Learning (EL)				
Budget:				
Adjusted Budget, Annual*	\$ 7,885,993	\$ 2,948,102	\$ 7,609,984	158.1%
Revenues:				
Gross Tuition & Fees	8,435,498	2,948,102	3,329,668	12.9%
Waivers & Exemptions:				
Department of Corrections	-	-	-	0.0%
Total EL Tuition & Fees Revenue, Net	\$ 8,435,498	\$ 2,948,102	\$ 3,329,668	12.9%

	FY 2025		FY 2026	
	Prior Year Activity thru 8/31/2025	Year-to-Date Activity thru 10/31/2024	Year-to-Date Activity thru 10/31/2025	Actuals % Increase/ (Decrease)YTD vs. PriorYTD
Exemptions & Waivers				
Dual Credit & Early College HS Waiver	19,222,225	8,510,444	11,187,929	31.5%
Other Exemptions:				
Employee Fee Exemptions	46,164	19,720	24,569	24.6%
Firemen	43,929	17,570	15,151	-13.8%
Hazelwood	1,265,115	445,198	538,459	20.9%
Deaf & Blind	141,103	62,668	69,381	10.7%
High Ranking High School Grad	1,364	880	-	-100.0%
Good Neighbor Program	104,266	36,829	19,659	-46.6%
Child of Disabled Vet	2,817	2,340	3,501	49.6%
Employee of State College & University	4,703	2,423	1,283	-47.0%
Non-resident Teach/Research Assistant	10,602	2,138	6,113	185.9%
Non-resident Competitive Scholarships	6,555	3,705	1,710	-53.8%
Senior Citizens	445,900	191,683	247,957	29.4%
Foster Children-Resident	301,126	121,748	162,183	33.2%
Peace Officer Exemption	16,211	6,006	7,409	23.4%
Adopted Student Waiver	357,878	170,951	158,913	-7.0%
FAST Book & OD Fees	199,262	1,552	-	-100.0%
Total Other Exemptions	2,947,494	1,085,411	1,256,288	15.7%
Grand Total Exemptions & Waivers	\$ 22,169,719	\$ 9,595,855	\$ 12,444,217	29.7%

*Amount net of exemptions & waivers.

ACTION ITEM

Meeting Date: December 3, 2025

Topics for Discussion and/or Action

ITEM #	ITEM TITLE	PRESENTER
A.	Moving, Relocation and Storage Services (Project No. RFP-C 25-47)	Dr. Margaret Ford Fisher Robert McCracken

RECOMMENDATION

Authorize the Chancellor to execute a contract with Roadrunner Moving and Storage, All Points of Texas, and A-Rocket Moving & Storage, Inc. to provide moving, relocation, and storage services in accordance with RFP-C 25-47.

COMPELLING REASON AND BACKGROUND

- The College issued a Request for Proposal (Commodity) for Relocation and Storage Services on an as-needed basis across all locations. The project scope varies based on demand, with the contractor responsible for providing services as required. The contractor will provide moving, relocation, and storage services.
- These contractors will support critical campus transitions tied to renovations, space reallocations, and new construction. Services include packing, moving, offsite/onsite storage, asset tracking, logistics, and furniture/IT deployment.
- The recommended contractors meet all compliance, insurance, and safety requirements and offers flexible scheduling to minimize disruption to college operations. A full cost structure, including overtime and turnkey pricing, ensures budget transparency and control. Their resources and experience will ensure efficient project execution and risk mitigation.

FISCAL IMPACT

Based on the current scope of services, the cost of all services under the resulting contract shall not exceed one hundred and fifty thousand dollars (\$150,000) annually.

The total maximum contract value shall not exceed seven hundred and fifty thousand dollars (\$750,000) for a five (5) year contract term. The funding source shall be Facilities Operations and the Campus Management Budget.

LEGAL REQUIREMENT

The recommendation to the Board of Trustees is being made to the highest ranked firms offering the best value in accordance with Chapter 44.031(a) of the Texas Education Code and pursuant to the published RFP-C 25-47.

STRATEGIC ALIGNMENT

1. Student Success, 5. College of Choice

ATTACHMENTS:

Description	Upload Date	Type
Summary of Procurement - RFP-C 25-47	11/20/2025	Attachment
Summary of Composite Scores - RFP-C 25-47	11/20/2025	Attachment

This item is applicable to the following: District

**SUMMARY OF PROCUREMENT
BOARD ACTION ITEM**

PROJECT TITLE: RFP-C 25-47 Moving, Relocation, and Storage Services

PROCUREMENT METHOD: Request for Proposal - Commodity (Over-all best value)

PROJECT DEPARTMENT: Facilities Department

NAME OF BUYER: Sajid Siddiqi, Buyer

PURPOSE: The College solicited proposals from qualified firms to provide moving, relocation and storage services System-wide in accordance with the scope of services. Given the nature of the services and to ensure consistent and timely delivery, this recommendation is being made to the three (3) highest-ranked firms.

The purpose of this procurement is to secure a qualified contractors to provide comprehensive moving, relocation, and storage services for Houston City College (HCC). These services are essential to support campus renovations, space reallocations, and facility transitions while ensuring minimal disruption to academic and administrative operations. The selected contractors will deliver flexible, timely, and cost-effective solutions that align with HCC's operational goals and compliance requirements.

The awarded contractors shall deliver a comprehensive range of moving, relocation, and storage Services to support Houston City College's operational and facility needs. These services will include, but are not limited to:

- Packing and unpacking of furniture, equipment, and materials
- Internal and external relocations across campuses and departments
- Secure on-site and off-site storage solutions
- Disposal, recycling, or decommissioning of surplus assets
- Logistics coordination, including delivery, setup, and reinstallation
- Provision of all labor, supervision, materials, and equipment required
- After-hours, weekend, or holiday moves to minimize disruption to college activities
- Asset inventory management and chain of custody controls
- Turnkey pricing options for large-scale projects
- Compliance with all applicable state and federal regulations

The Contractors are expected to perform all services with minimal disruption, maintain high standards of safety and professionalism, and work closely with HCC personnel to ensure timely, efficient execution of each project.

**RECOMMENDED
VENDORS:**

Roadrunner Moving and Storage
All Points of Texas
A-Rocket Moving & Storage, Inc.

PRIOR VENDORS:

A-Rocket Moving & Storage, Inc.

**LEGAL
REQUIREMENTS:**

This recommendation is being made to the highest-ranked firms offering the best value in accordance with Chapter 44.031 (a) of the Texas Education Code. And pursuant to the published RFP-C 25-47 document.

**LOCATION
INFORMATION:**

In performing the work under RFP-C 25-47, the recommended firms will be working from their Houston, TX locations.

PROJECTED VALUE:

The estimated annual cost of all services under the resulting contracts will not exceed one hundred and fifty thousand dollars **(\$150,000)** for moving, relocation, and storage services.

The total maximum contract value shall not exceed seven hundred and fifty thousand dollars **(\$750,000)** for a five (5) year contract term. The funding source shall be Facilities Operations and the Campus Management Budget.

CONTRACT TERM:

It is anticipated that the contract term of the contract awarded resulting from this solicitation will be one (1) year with the option to renew for four (4) one-year terms. HCC reserves the right to extend the contract on a month-to-month basis, not to exceed three (3) months.

**PROCUREMENT
ADVERTISEMENT
& NOTICE:**

This procurement was advertised, and a notice of procurement was distributed as follows:

- HCC Procurement Operations Website on August 11, 2025.
- State of Texas Electronic Business Daily Website on August 13, 2025.
- The Daily Court Review on August 11, 2025, and August 18, 2025.
- Notice to HCC Board of Trustees on August 18, 2025.

**SOLICITATION
INFORMATION:**

RFP-C 25-47 was issued on August 11, 2025, and the solicitation document was distributed electronically in addition to being published in the local newspaper. Notice of advertisement was provided and the solicitation was duly posted on the Electronic State Business Daily (ESBD) website. A pre-proposal meeting was held on August 28, 2025, and a question-and-answer period was allowed through September 05, 2025. Ten (10) proposals were received by the solicitation due date of September 17, 2025, at 2:00 p.m. Ten (10) proposals were evaluated in accordance with RFP-C 25-47.

COMPETITIVE:

Yes

**PROPOSAL
EVALUATION:**

Responses were evaluated by the procurement operations, and proposals were in accordance with the published evaluation criteria noted below.

Evaluation Criteria	Available Points
Price	85
<u>Small business practices</u>	<u>15</u>
Total 100	

**PRIOR HCC
EXPERIENCE:**

Roadrunner Moving and Storage; No
All Points of Texas; No
A-Rocket Moving & Storage, Inc.; Yes

**PRIOR EDUCATIONAL
EXPERIENCE:**

The recommended firms have experience with the following educational institutions:

1. Roadrunner Moving and Storage
 - Lee College
 - Lone Star College
 - Sam Houston State University
 - University of Houston Clear Lake
 - Houston Baptist University
2. All Points of Texas
 - Dallas Independent school district
 - Texas A&M University
 - Texas Tech University
 - The University of Oklahoma
3. A-Rocket Moving & Storage, Inc
 - Houston City College
 - Texas A&M University
 - Houston Independent School District

REFERENCES:

Evaluated and found to be favorable.

**SMALL BUSINESS
GOAL:**

In accordance with the Houston City College - Small Business Development Program, for this solicitation, HCC advertised a 25% – Small Business Participation Goal.

1. Roadrunner Moving and Storage (25%); Not certified
 - Subcontractor: Falcon Valdez Inc. (75%); Not certified
2. All Points of Texas are not certified SBE will self-perform the work under the resulting contract.
3. A-Rocket Moving & Storage, Inc. is a COH-certified Small Business and will self-perform the work under the resulting contract.

RFP-C 25-47 Moving, Relocation and Storage Services
 Summary Composite Score Sheet

Firm	Evaluation Criteria		Total
	Price Proposal	Small Business Practices	
<i>Available Points</i>	<i>85</i>	<i>15</i>	<i>100</i>
A Rocket Moving and Storage	85.00	10.00	95.00
Road Runner Moving and Storage	78.48	0.00	78.48
All Points of Texas	62.77	0.00	62.77
Suddath Relocation Systems of Texas , Inc	57.10	0.00	57.10
Endavant, LLC	51.57	0.00	51.57
Corporate Relocators, LLC	50.43	0.00	50.43
East End Transfer & Storage , Inc	38.74	10.00	48.74
Ace Relocation Systems , Inc	44.66	0.00	44.66
TBN Murray fam, LLC dba Two Men and a Truck	42.99	0.00	42.99
ABC Restoration, Inc	40.67	0.00	40.67

ACTION ITEM

Meeting Date: December 3, 2025

Topics for Discussion and/or Action

ITEM #	ITEM TITLE	PRESENTER
B.	Building Envelope Consulting Services (Project No. RFQ 25-42)	Dr. Margaret Ford Fisher Robert McCracken

RECOMMENDATION

Authorize the Chancellor to execute contracts with STOA International Architects, Inc., BLUEFIN, LLC dba Mantis Facility Management Solutions, and BEAM Professionals to provide Building Envelope Consulting Services, in accordance with RFQ 25-42.

COMPELLING REASON AND BACKGROUND

- HCC issued a request for qualifications for Building Envelope-Consulting Services for higher education facilities on an “as needed basis,” Indefinite Delivery, Indefinite Quantity (IDIQ). The requested services may involve an entire project, a project phase, several projects, part of a project, or simply the provision of an opinion for use by college staff in the conduct of their respective job duties.
- The contracted firms shall provide services related to all aspects of the building envelope, to include testing, planning, design, construction, and investigating services, technical studies, analysis, reports, technical inspection and other miscellaneous professional services for HCC facilities.
- The summary of services includes, but is not limited, to pre-construction planning, design and design peer reviews, quality control and quality assurance, forensic investigation and assessment, water intrusion investigation, diagnostic field-testing services, field performance testing services, thermal analysis and imaging surveys, energy modeling and audits, envelope energy code compliance and building envelope asset management.

FISCAL IMPACT

Fee schedules have been negotiated by the Procurement Department in cooperation with the Facilities Department prior to contract award. The funding source shall be the Facilities Departmental Operating Budget.

LEGAL REQUIREMENT

This recommendation to the Board of Trustees is in accordance with Chapter 2254.004 of the Texas Government Code and pursuant to the published RFQ 25-42.

STRATEGIC ALIGNMENT

1. Student Success, 5. College of Choice

ATTACHMENTS:

Description	Upload Date	Type
Summary of Procurement - RFQ 25-42	11/20/2025	Attachment
Summary of Composite Scores - RFQ 25-42	11/20/2025	Attachment

This item is applicable to the following: District

**SUMMARY OF PROCUREMENT
BOARD ACTION ITEM**

PROJECT TITLE: RFQ 25-42 Building Envelope Consulting Services

PROCUREMENT METHOD: Request for Qualifications (overall most qualified)

PROJECT DEPARTMENT: Facilities Department

NAME OF BUYER: Art Lopez, Senior Buyer

PURPOSE: The College issued a request for qualifications for Building Envelope Consulting Services for higher education facilities, on an “as needed basis,” Indefinite Delivery, Indefinite Quantity (IDIQ). The requested services may involve an entire project, a project phase, several projects, part of a project, or simply the provision of an opinion for use by HCC staff in conducting their respective job duties. The overall objective is to provide services related to all aspects of the building envelope to include testing, planning, design, construction and investigating services, technical studies, analysis, reports, technical inspection and other miscellaneous professional services for HCC facilities.

Building envelope consultants assist in identifying locations of breaches in buildings. The exterior of a building including walls, roofs, windows, glazing and external fixtures is referred to as the envelope and maintaining the integrity of the envelope protects the furniture, fixtures and equipment from heat, humidity and water intrusion. These services help to extend the usable life of buildings by identifying areas of concern for repair.

The awarded consultant will provide expertise and personnel to provide the following services:

Pre-construction planning	Energy modeling & audits
Design and design peer reviews	Envelope energy code compliance
Quality control and quality assurance	Value engineering analysis
Forensic investigation and assessment	Risk Analysis
Water intrusion investigation	Bid & qualifications analysis
Water, air, roof uplift, etc.	Bidding & contracting assistance
Building envelope asset management	Electronic field vector mapping
Diagnostic field-testing services	Pull-off strength coatings
Field performance testing services	Sealant evaluation and testing
Thermal analysis and imaging surveys	Infrared testing
Electronic leak detention surveys	Water leakage testing
Special Inspections	Building envelope structural evaluation
Windstorm inspection and certificate	IBC and IECC code Compliance Evaluation
Conceptual/Schematic Design	Construction Documents/ Design Develop
Property Assessments (EPS)	Disaster response/Origination analysis
Due Diligence	Building envelope condition assessments

RECOMMENDED**VENDORS:**

STOA International Architects, Inc.
BLUEFIN, LLC dba Mantis Facility Management Solutions
BEAM Professionals

PROPOSED**SUB-CONTRACTORS:****STOA International Architects, Inc.**

- PGA Engineers, providing low voltage device penetrations
- Daly + Associates, providing cladding support systems
- Jensen Hughes, providing fire rating of exterior walls
- Weathertight Building Consulting, LLC, provides building envelope consulting services
- ProE Consulting, providing civil engineering services
- PMG Project Management Group, LLC., providing envelope systems pricing
- CPD Consultants, providing environmental and forensic structural work
- Jones Engineers, provides coordination of penetrations
- GeoTest Engineering, providing soil data affecting water proofing

BLUEFIN, LLC dba Mantis Facility Management Solutions

- Collaborative Engineering Group, providing MEP design and design peer reviews

BEAM Professionals

- Gedeon GRC Consulting (Gedeon GRC), providing drone and testing services
- Separation Systems Consultants, Inc. (SSCI), providing pre-construction planning and peer reviews

PRIOR VENDOR:

Price Consulting, Inc.

LEGAL**REQUIREMENTS:**

This recommendation to the Board of Trustees is being made to the most highly qualified firms on the basis of demonstrated competence and qualifications in accordance with Chapter 2254.004 of the Texas Government Code.

Pursuant to the published RFQ 25-42 document and in accordance with Chapter 2254 of the Texas Government Code, the Evaluation Committee has selected the offerors that submitted a statement of qualifications demonstrating the most highly qualified firm on the basis of demonstrated competence and qualifications based on the published selection criteria and as evidenced in the final evaluation ranking.

LOCATION**INFORMATION:**

In performing the work under RFQ 25-42, the recommended firms will be working from their local Houston, TX offices.

PROJECTED VALUE:

Fee schedules have been negotiated by the Procurement Department in cooperation with the Facilities Department prior to contract award. The funding source shall be the Facilities Departmental Operating Budget.

CONTRACT TERM:

It is anticipated that the contract term for contract(s) awarded resulting from this solicitation, if any, will be three (3) years with the option to renew for two (2) one-year terms. Further, HCC reserves the right to extend the contract term on a

month-to-month basis, not to exceed three (3) months upon the expiration of the initial term and any successive renewal term.

**PROCUREMENT
ADVERTISEMENT
& NOTICE:**

This procurement was advertised, and a notice of procurement was distributed as follows:

- HCC Procurement Operations Website on August 18, 2025
- Texas State Procurement Website on August 16, 2025
- Notice to HCC Board of Trustees on August 25, 2025
- The Daily Court Review on August 19, 2025, and August 26, 2025

**SOLICITATION
INFORMATION:**

RFQ 25-42 was issued on August 18, 2025, and the solicitation document was distributed electronically in addition to being published in the local newspaper. Notice of advertisement was provided, and the solicitation was duly posted on the Electronic State Business Daily (ESBD) website. A pre-submittal meeting was held on September 10, 2025, and a question-and-answer period was allowed through September 16, 2025. Fourteen (14) submittals were received by the solicitation due date of September 30, 2025, by 2:00 p.m. Fourteen (14) submittals were evaluated in accordance with RFQ 25-42.

COMPETITIVE:

Yes

**PROPOSAL
EVALUATION:**

Responses were evaluated by the Evaluation Committee which consisted of HCC representatives with relevant subject matter understanding who evaluated and scored proposals in accordance with the published evaluation criteria noted below.

Evaluation Criteria	Available Points
Firm's qualification and experience Demonstrated qualifications of personnel and team	35
Proposed approach and methodology	30
Past performance & references	20
<u>Small business practices</u>	<u>15</u>
	Total 100

**EVALUATION
COMMITTEE
QUALIFICATIONS:**

Evaluator 1 – Represents the Facilities Department Management area; is business owner who will manage the work effort following contract award and has in-depth understanding of the commodity and service requirements.

Evaluator 2 – Represents the Facilities Department, District Building Operations and Facilities Services; and has in-depth understanding of the commodity and service requirements.

Evaluator 3 – Represents the Facilities Department, Space & Property Management; and has in-depth understanding of the commodity and service requirements.

Evaluator 4 – Represents the College Operations for Southwest College and has in-depth understanding of the commodity and service requirements.

Evaluator 5 – Represents Campus Management Department, Alief-Bissonnet Campus and has in-depth understanding of the commodity and service requirements.

**PRIOR HCC
EXPERIENCE:**

STOA International Architects, Inc. / Yes
BLUEFIN, LLC dba Mantis Facility Management Solutions / No
BEAM Professionals / Yes

**HIGHER EDUCATION
EXPERIENCE:**

The recommended firms have building envelope consulting service experience with the following educational institutions:

STOA International Architects, Inc.

- Houston City College
- University of South Carolina - Aiken
- Rice University

BLUEFIN, LLC dba Mantis Facility Management Solutions

- Loyola University of Maryland
- Delaware Technical Community College
- Caesar Rodney School District
- West Chester Area School District
- Owen J. Roberts School District
- Upper Merion Area School District
- Phoenixville School District
- Temple University
- Milton Hershey School
- Rivendell School
- Community College of Philadelphia

BEAM Professionals

- Houston City College
- Lone Star College
- Lee College
- Lamar State College - Orange
- UT Southwestern Medical Center
- University of Mary Hardin Baylor

REFERENCES:

Evaluated and found to be favorable.

**SMALL BUSINESS
GOAL:**

In accordance with the Houston City College - Small Business Development Program, for this solicitation, HCC advertised as 25% – Small Business participation goal.

The recommended awarded firms have committed to the following SBDE participation.

STOA International Architects, Inc. certified SBE, METRO, 60%

- PGA Engineers, certified SBE, METRO, 2%
- Dally + Associates, certified SBE METRO, 9%
- ProE Consulting, certified SBE METRO, 3%
- PMG Project Management Group, LLC., certified SBE, COH, 4%
- Jones Engineers, certified SBE, COH, 5%
- GeoTest Engineering, certified SBE, COH, 2%

BLUEFIN, LLC dba Mantis Facility Management Solutions

- Collaborative Engineering Group, certified WBE, Harris County, 25%

BEAM Professionals

- Gedeon GRC Consulting (Gedeon GRC), certified SBE, METRO, 13%
- Separation Systems Consultants, Inc. (SSCI), certified SBE, COH, 13%

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RFQ 25-42 Building Envelope Consulting Services

Summary Composite Score Sheet

Firm	Evaluation Criteria				Total
	Firm's Qualification and Experience & Demonstrated Qualifications of Personnel and Team	Proposed Approach and Methodology	Past Performance & References	Small Business Practices	
Available Points	35	30	20	15	100
STOA International Architects, Inc.	30.80	25.20	18.40	15.00	89.40
BLUEFIN, LLC dba Mantis Facility Management Solutions	31.50	26.40	17.20	10.00	85.10
BEAM Professionals	29.40	27.00	18.00	10.00	84.40
Raba Kistner, Inc.	30.10	25.20	16.40	10.00	81.70
Walter P. Moore and Associates, Inc.	29.40	22.80	16.40	10.00	78.60
Smith Sechman Reid, Inc. (SSR)	26.60	23.40	15.20	10.00	75.20
Terracon Consultants Inc.	31.50	25.20	18.00	0.00	74.70
Zero Six Consulting, LLC	30.80	27.00	16.80	0.00	74.60
Armko Industries, Inc.	30.10	25.80	16.80	0.00	72.70
Price Consulting, Inc.	25.20	22.20	15.60	0.00	63.00
EMA Engineering and Consulting, Inc.	26.60	22.80	13.20	0.00	62.60
Amtech Solutions, Inc.	25.90	21.60	14.80	0.00	62.30
Wiss, Janney, Elstner Associates, Inc. (WJE)	25.20	21.60	14.80	0.00	61.60
ECS Southwest, LLP	25.90	21.60	14.00	0.00	61.50

ACTION ITEM

Meeting Date: December 3, 2025

Topics for Discussion and/or Action

ITEM #	ITEM TITLE	PRESENTER
C.	Re-Commissioning and Retro Commissioning Services (Project No. RFQ 25-43)	Dr. Margaret Ford Fisher Robert McCracken

RECOMMENDATION

Authorize the Chancellor to execute contracts with Infrastructure Associates, Inc., EXP U.S. Services, Inc., Affiliated Engineers, Inc., and Terracon Consultants, Inc. to provide Professional Commissioning Services, in accordance with RFQ 25-43.

COMPELLING REASON AND BACKGROUND

- The college issued a request for qualifications for Professional Commissioning Services for higher education facilities, on an “as needed basis”, Indefinite Delivery, Indefinite Quantity (IDIQ). The requested services may involve commissioning services of new construction projects and existing buildings or “retro commissioning.” This is a systematic process applied to existing buildings for identifying, implementing operational and maintenance (O&M) improvements and for ensuring their continued performance over time.
- The awarded commissioning agents will also provide mechanical, electrical and plumbing (MEP) systems commissioning services that encompass all aspects of commissioning to include planning, design, construction, testing, investigating, and commissioning for HCC facilities.
- The summary of services includes, but is not limited to design and design assistance of building controls, review of design documents for compliance with owner requirements, coordination with design teams for integration of commissioning into project documents, new construction commissioning, existing building commissioning, retro-commissioning, ongoing and monitoring-based commissioning, commissioning of MEP systems, project commissioning, planning phase, investigation phase, implementation phase and final Adjustment Phase.

FISCAL IMPACT

Fee schedules have been negotiated by the Procurement Department in cooperation with the Facilities Department prior to contract award. The funding source shall be the Facilities Departmental Operating Budget.

LEGAL REQUIREMENT

This recommendation to the Board of Trustees is being made in accordance with Chapter 2254.004 of the Texas Government Code and pursuant to the published RFQ 25-43.

STRATEGIC ALIGNMENT

5. *College of Choice*

ATTACHMENTS:

Description	Upload Date	Type
Summary of Procurement - RFQ 25-43	11/20/2025	Attachment
Summary of Composite Scores - RFQ 25-43	11/20/2025	Attachment

This item is applicable to the following: District

**SUMMARY OF PROCUREMENT
BOARD ACTION ITEM**

PROJECT TITLE: RFQ 25-43 Re-Commissioning and Retro-Commissioning Services

PROCUREMENT METHOD: Request for Qualifications (overall most qualified)

PROJECT DEPARTMENT: Facilities Department

NAME OF BUYER: Arturo Lopez, Senior Buyer

PURPOSE: The college issued a request for qualifications for Professional Re/Retro Commissioning Services for higher education facilities, on an “as needed basis”, Indefinite Delivery, Indefinite Quantity (IDIQ). The requested services may involve new building construction, major renovation, and miscellaneous projects on an as-needed basis. Services associated with this contract are not for a specific project or series of projects.

The college utilizes commissioning services at various stages of the building life cycle. Commissioning is ideally performed after construction to ensure all building systems are working appropriately. Sometimes buildings will be retro commissioned whenever there is a problem with any of the multiple building systems that is failing or has failed. This allows building owners to identify deficiencies with professionals who can determine what system, or systems need to be addressed.

The recommended firms will provide commissioning services of new construction projects and existing buildings, or “retro commissioning”. This is a systematic process applied to existing buildings for identifying, implementing operational and maintenance (O&M) improvements and for ensuring their continued performance over time. Retro commissioning assures system functionality. An inclusive and systematic process is intended not only to optimize how equipment and systems operate, but also to optimize how the systems function together. Retro commissioning may include recommendations for capital improvements; the primary focus is on using O&M tune-up activities and diagnostic testing to optimize the building systems.

The awarded commissioning agents will also provide mechanical, electrical and plumbing (MEP) systems commissioning services that encompass all aspects of commissioning to include planning, design, construction, testing, investigating, and commissioning.

The awarded commissioning agents will provide expertise and personnel to provide the following services:

- Design and design assistance of building controls
- Review of design documents for compliance with owner requirements
- Coordination with design teams for integration of commissioning into project documents
- New construction commissioning
- Existing building commissioning
- Retro-commissioning
- Ongoing and monitoring-based commissioning
- Commissioning of MEP systems
- Project Commissioning
- Retro-commissioning a project:
 - Planning Phase
 - Investigation Phase
 - Implementation Phase
 - Final Adjustment Phase

**RECOMMENDED
VENDOR:**

Infrastructure Associates, Inc.
 EXP U.S. Services, Inc.
 Affiliated Engineers, Inc.
 Terracon Consultants, Inc.

PRIOR VENDOR:

McKinstry Essention, LLC

**PROPOSED
SUB-CONTRACTOR:**

Infrastructure Associates, Inc.

- English + Associates Architects, Inc., provides architectural design
- RDLR Architects, provides architectural design

EXP U.S. Services, Inc.

- Campos Engineering, Inc., provides MEP commissioning services
- Parkhill, provides MEP commissioning services

Affiliated Engineers, Inc.

- Campos Engineering, Inc., provides MEP commissioning services

Terracon Consultants, Inc.

- Pennington & Associates Commissioning, LLC, provides fire and life safety

**LEGAL
REQUIREMENTS:**

This recommendation to the Board of Trustees is being made to the most highly qualified firms on the basis of demonstrated competence and qualifications in accordance with Chapter 2254.004 of the Texas Government Code and pursuant to the published RFQ 25-43 document.

The Evaluation Committee has selected the offerors that submitted a statement of qualifications demonstrating the most highly qualified firm on the basis of demonstrated competence and qualifications based on the published selection criteria and as evidenced in the final evaluation ranking.

**LOCATION
INFORMATION:**

In performing the work under RFQ 25-43, the recommended firms will be working from their local Houston, TX offices.

PROJECTED VALUE:	Fee schedules have been negotiated by the Procurement Department in cooperation with the Facilities Department prior to contract award. The funding source shall be the Facilities Departmental Operating Budget.
CONTRACT TERM:	It is anticipated that the contract term for contract(s) awarded resulting from this solicitation, if any, will be three (3) years with the option to renew for two (2) one-year terms. Further, HCC reserves the right to extend the contract term on a month-to-month basis, not to exceed three (3) months upon the expiration of the initial term and any successive renewal term.
PROCUREMENT ADVERTISEMENT & NOTICE:	This procurement was advertised, and a notice of procurement was distributed as follows: • HCC Procurement Operations Website on July 17, 2025 • Texas State Procurement Website on July 16, 2025 • The Daily Court Review on July 17, 2025, and July 24, 2025 • Notice to HCC Board of Trustees on July 21, 2025
SOLICITATION INFORMATION:	RFQ 25-43 was issued on July 17, 2025, and the solicitation document was distributed electronically in addition to being published in the local newspaper. Notice of advertisement was provided, and the solicitation was duly posted on the Electronic State Business Daily (ESBD) website. A pre-submittal meeting was held on July 29, 2025, and a question-and-answer period was allowed through August 4, 2025. Twenty-one (21) submittals were received by the solicitation due date of August 18, 2025, by 2:00 p.m. Twenty-one (21) submittals were evaluated in accordance with RFQ 25-43.
COMPETITIVE:	Yes
PROPOSAL EVALUATION:	Responses were evaluated by the Evaluation Committee which consisted of HCC representatives with relevant subject matter understanding who evaluated and scored proposals in accordance with the published evaluation criteria noted below.

Evaluation Criteria	Available Points
Firm's qualification and experience Demonstrated qualifications of personnel and team	35
Proposed approach and methodology	30
Past performance & references	20
Small business practices	15
Total 100	

**EVALUATION
COMMITTEE**

QUALIFICATIONS:

Evaluator 1 – Represents the Facilities Department Management area; is business owner who will manage the work effort following contract award and has in-depth understanding of the commodity and service requirements.

Evaluator 2 – Represents the Facilities Department and has in-depth understanding of the commodity and service requirements.

Evaluator 3 – Represents the Facilities Department and has in-depth understanding of the commodity and service requirements.

Evaluator 4 – Represents the Coleman College, Office of the President; and has in-depth understanding of the commodity and service requirements.

Evaluator 5 – Represents Administrative Services; sits as Vice Chancellor and has in-depth understanding of the commodity and service requirements.

**PRIOR HCC
EXPERIENCE:**

Infrastructure Associates, Inc., Yes
EXP U.S. Services, Inc., No
Affiliated Engineers, Inc., Yes
Terracon Consultants Inc., Yes

**HIGHER EDUCATION
EXPERIENCE:**

The recommended firm has professional commissioning service experience with the following educational institutions:

Infrastructure Associates, Inc.

- Houston City College, North Forest Campus
- University of Houston IDIQ Contract
- University of Houston Hilton College Renovation and Expansion
- University of Texas Health and Science IDIQ Contract
- Lone Star College East Aldine Campus
- Fort Bend ISD

EXP U.S. Services, Inc.

- Dell Seton Medical Center at the University of Texas
- Dr. Phillips Academic Commons, University of Central Florida
- NSU College of Osteopathic Medicine, Nova Southern University
- University of California San Diego Center for Novel
- Therapeutics

Affiliated Engineers, Inc.

- Lone Star College
- Rice University
- Lamar University
- Sam Houston State University
- JPS Health Network, Fort Worth, Texas
- MD Anderson Cancer Center, Houston, Texas

Terracon Consultants, Inc.

- Houston City College
- University Hospitals Authority & Trust
- Del Mar College
- San Jacinto College
- American National Red Cross
- Friendswood ISD

REFERENCES:

Evaluated and found to be favorable.

SMALL BUSINESS

GOAL:

In accordance with the Houston City College - Small Business Development Program, for this solicitation, HCC advertised as 25% – Small Business participation goal.

The recommended awarded firms have committed to the following SBDE participation:

Infrastructure Associates, Inc. (certified MBE)

- English + Associates Architects, Inc., certified SBE, 12.5%.
- RDLR Architects, certified SBE, 12.5%.

EXP U.S. Services, Inc. (not certified)

- Campos Engineering, Inc., certified MBE, 25%
- Parkhill provides, NOT certified, 20%

Affiliated Engineers, Inc. (not certified)

- Campos Engineering, Inc., certified MBE, 25%

Terracon Consultants, Inc. (not certified)

- Pennington & Associates, LLC, certified MBE, 25%

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RFQ 25-43 Re-Commissioning and Retro-Commissioning Services

Summary Composite Score Sheet

Evaluation	Evaluation Criteria				Total
	Firm's Qualification and Experience & Demonstrated Qualifications of Personnel and Team	Proposed Approach and Methodology	Past Performance & References	Small Business Practices	
<i>Available Points</i>	<i>35</i>	<i>30</i>	<i>20</i>	<i>15</i>	<i>100</i>
Infrastructure Associates	31.50	24.60	18.40	15.00	89.50
EXP U.S. Services, Inc.	31.50	27.60	18.80	10.00	87.90
Affiliated Engineers, Inc.	31.50	25.80	18.40	10.00	85.70
Terracon Consultants Inc.	32.20	25.20	18.00	10.00	85.40
WSP USA Buildings Inc.	31.50	24.60	18.80	10.00	84.90
Wylie & Associates, LLC	31.50	25.20	17.60	10.00	84.30
Command Commissioning LLC	29.40	26.40	17.60	10.00	83.40
Procon Consulting	29.40	25.80	16.40	10.00	81.60
Engineering Economics, Inc.	29.40	24.60	17.20	10.00	81.20
Bath Group, LLC	28.70	25.20	17.20	10.00	81.10
CSI Engineering	29.40	24.60	16.00	10.00	80.00
Cogent Commissioning, LLC	28.00	24.00	16.40	10.00	78.40
Loring Consulting Engineers	32.20	27.00	18.40	0.00	77.60
Smith Seckman Reid, Inc.	30.80	27.00	18.40	0.00	76.20
Edwards Energy Environmental & Waste Management	27.30	19.80	13.20	15.00	75.30
Glumac	30.10	26.40	18.00	0.00	74.50
EMA Engineering and Consulting, Inc.	30.80	24.60	16.40	0.00	71.80
LEAF Engineers	28.70	24.00	17.60	0.00	70.30
Wright Commissioning	26.60	24.00	15.60	0.00	66.20
TAB Technologies	22.40	20.40	15.20	0.00	58.00
Coastal Commissioning Group, LLC	24.50	16.20	12.00	0.00	52.70

ACTION ITEM

Meeting Date: December 3, 2025

Topics for Discussion and/or Action

ITEM #	ITEM TITLE	PRESENTER
D.	Personnel Agenda - Faculty	Dr. Margaret Ford Fisher Rodney Nathan

RECOMMENDATION

Approval of the renewal of the Full-Time Faculty Contracts for Academic Year 2025-26.

COMPELLING REASON AND BACKGROUND

Full-Time contracted faculty are employed under academic year term employment contracts on an annual basis as outlined under DCA (LEGAL): Employment Practices Term Contracts.

Each academic year full-time contracted faculty receive a new employment contract for the upcoming academic year. Contract types consist of 9-month, 10.5-month and 12-month term lengths.

FISCAL IMPACT

Funds for these faculty positions are provided for in the FY 2026 Unrestricted Budget.

STRATEGIC ALIGNMENT

1. Student Success, 2. Personalized Learning , 3. Academic Rigor , 4. Community Investment , 5. College of Choice

ATTACHMENTS:

Description	Upload Date	Type
December 2025 Faculty Agenda	11/11/2025	Cover Memo

This item is applicable to the following:

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

APPENDIX

(Board Action Required)

Personnel Agenda - Faculty

**Board Meeting
December 3, 2025**

**INFORMATION ITEMS - BOARD ACTION REQUIRED
FACULTY (REGULAR)**

Name	Previous Organization or HCCS Job Title	Proposed New Job Title	Contract Type/ Grade	Employment Action Reason	Annual Salary	Effective Date
Benard, Tunesia	Lone Star College	F/T Business Management Instructor	10.5 months Grade: 12	New Hire	\$ 75,898	01/05/2026

ACTION ITEM

Meeting Date: December 3, 2025

Topics for Discussion and/or Action

ITEM #	ITEM TITLE	PRESENTER
E.	Review of Level Four Complaint - Employee 1	Dr. Margaret Ford Fisher Nicole Montgomery Rodney Nathan

RECOMMENDATION

Review of Level Four Complaint - Employee 1 under Policy DGBA (LOCAL) Employee Grievances.

COMPELLING REASON AND BACKGROUND

Under Policy DGBA (LOCAL) employees may bring forth unresolved issues concerning the application of College District policy, practice or regulation in the form of a grievance or complaint at both informal and formal level.

If issues are not resolved through the informal and lower-level processes, the employee may bring issues forward through the formal process to the Board of Trustees (Level Four).

The Level Four complaint will be a review by the Board of Trustees. The following provisions shall govern the review by the Board of this complaint:

1. A decision may be remanded for further consideration upon finding that it was not made in accordance with applicable state or federal law, policy, or College District regulations; provided, however that the decision should not be remanded if the procedural error was not material to the decision and therefore constituted harmless error.
2. A decision may be modified or reversed only upon a finding that the decision constituted an abuse of discretion or was made in violation of applicable state or federal law, or policy; provided, however that the decision should not be modified or reversed if the violation of policy was not material to the decision and therefore constituted harmless error.
3. A decision should be affirmed in the absence of a finding of abuse of discretion or material violation of applicable state or federal law or institutional policies, or regulations.

FISCAL IMPACT

None

LEGAL REQUIREMENT

None

STRATEGIC ALIGNMENT

This item is applicable to the following: District

REPORT ITEM

Meeting Date: December 3, 2025

Adjournment

ITEM #	ITEM TITLE	PRESENTER
XIV.	Appendix - No Action Required	

STRATEGIC ALIGNMENT

ATTACHMENTS:

Description	Upload Date	Type
December 2025 Personnel Agenda_Final - Staff	11/12/2025	Cover Memo

This item is applicable to the following:

APPENDIX

(No Board Action Required)

Personnel Agenda - Staff

**Board Meeting
December 3, 2025**

INFORMATION ITEMS - NO BOARD ACTION REQUIRED
ADMINISTRATOR/ADMINISTRATIVE/CLERICAL/PROFESSIONAL TECHNICAL - STAFF (REGULAR)

INTERNAL HIRES

Name	Previous HCCS Job Title	New Job Title	College	FLSA/Grade	Annual Salary	Effective Date
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INFORMATION ITEMS - NO BOARD ACTION REQUIRED**ADMINISTRATOR/ADMINISTRATIVE/CLERICAL/PROFESSIONAL TECHNICAL - STAFF (REGULAR)****INTERNAL HIRES**

Name	Previous HCCS Job Title	New Job Title	College	FLSA/Grade	Annual Salary	Effective Date
Antwi, Vida	F/T Program Assistant	F/T Associate, Enrollment Services	Southwest	Exempt Grade: 4	\$ 49,500	11/3/2025
Burton, Sonja	F/T Procurement Liaison	F/T Office Manager	Northeast	Non-Exempt Grade: 5	\$ 60,300	11/17/2025
Crowe, Vanessa	F/T Enrollment Services Assistant	F/T Specialist, Virtual Admission	System	Non-Exempt Grade: 4	\$ 45,000	12/1/2025
De Vries, Peter	F/T Lab Assistant II	F/T Senior Technician, MakerSpace	Northwest	Non-Exempt Grade: 5	\$ 48,600	11/17/2025
Ewings, Erica	F/T Assistants, Enrollment Services	F/T Specialist Facilities	System	Non-Exempt Grade: 4	\$ 45,000	11/17/2025

INFORMATION ITEMS - NO BOARD ACTION REQUIRED**ADMINISTRATOR/ADMINISTRATIVE/CLERICAL/PROFESSIONAL TECHNICAL - STAFF (REGULAR)****EXTERNAL HIRES**

Name	Previous Organization	New Job Title	College	FLSA/Grade	Annual Salary	Effective Date
Contreras, Sergio	Houston I.S.D.	F/T Student Recruiter	Southeast	Exempt Grade: 5	\$ 64,000	11/17/2025
Gonzalez Ornelas, Erika	Prep Public Schools	F/T Sr., Campus Manager	Southeast	Exempt Grade : 8	\$ 70,000	11/17/2025
Jefferson, Whitney	Spring I.S.D.	F/T Analyst, Talent Technology	System	Exempt Grade: 9	\$ 89,000	11/3/2025
Spence, Melloney	Spatial Front Inc.	F/T Sr. Specialist, Digital Accessibility	System	Non-Exempt Grade: 7	\$ 74,000	11/18/2025
Unruh, Tiffany	Fort Bend I.S.D.	F/T Director, Research Assessment & Evaluation	System	Exempt Grade: 10	\$ 109,000	11/17/2025

INFORMATION ITEMS - NO BOARD ACTION REQUIRED

SALARY CHANGES DUE TO AN ADDITION TO OR CHANGE IN THE EMPLOYEE'S JOB ASSIGNMENT OR DUTIES, OR WHEN AN ADJUSTMENT IN THE MARKET VALUE OF THE JOB WARRANTS ADDITIONAL COMPENSATION

Name	Previous Organization	Proposed Title	FLSA/Grade	Annual Salary	Effective Date
Crockett, Anita		Manager, Employee Records	EX-PTSC-9	\$ 100,674	9/1/2025

**INFORMATION ITEMS - NO BOARD ACTION REQUIRED ADMINISTRATOR/ADMINISTRATIVE/CLERICAL/PROFESSIONAL
TECHNICAL - STAFF (REGULAR)**

SEPARATIONS OF EMPLOYMENT

Name	Employment details	Effective Date
Allen, Brenda	Reception Assistant, Southwest	11/1/2025
Battle, Christine	Coordinator, Transfer Services, Southwest	10/28/2025
Cook, Jason	Advisor, Pathways & Case Management, Central	11/1/2025
Hatchet, Kimberly	Manager, Application Development, System	11/1/2025
Ingle, Stacie	Specialist, Compliance Training, System	11/1/2025
Prestage, Erin	Manager, Marketing & Communication, System	10/16/2025
Rincon, Mario	Assistant Enrollment Services, Southeast	11/1/2025