



## **AGENDA**

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

**January 14, 2026  
4:00 PM**

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

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

**HOUSTON CITY COLLEGE**

**January 14, 2026**

Notice is hereby given that a Meeting of the Committee of the Whole of the Board of Trustees of Houston City College will be held on Wednesday, January 14, 2026 at 4:00 PM, or after, and from day to day as required, at 3100 Main Street, 2nd Floor Auditorium, Houston, Texas 77002. The items listed in this Notice may be considered in any order at the discretion of the Committee Chair and items listed for closed session discussion may be discussed in open session and vice versa as permitted by law. Actions taken at this Meeting do not constitute final Board action and are only Committee recommendations to be considered by the Board at the next Regular Board meeting.

**I. Call to Order**

- A. Opportunity for Public Comments

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

- A. Approve HCC Board Goals for 2025-2026
- B. Update on the Strategic Plan
- C. Monthly Investment Report, Financial Statement and Budget Review for November 2025
- D. Budget Workshop #2: Overview of FY2027 Operating Budget
- E. Approval of FY2027 Budget Guiding Principles

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

**A. Legal Matters**

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

**B. Personnel Matters**

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

**C. Real Estate Matters**

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

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

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

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

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

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

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

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

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

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

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

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

**V. Reconvene in Open Meeting**

**VI. Adjournment**

**CERTIFICATE OF POSTING OR GIVING NOTICE**

On this **8th day of January 2026**, 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](http://www.hccs.edu).

Posted By:

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Sharon R. Wright  
Director, Board Services

# ACTION ITEM

Meeting Date: January 14, 2026

Topics For Discussion and/or Action:

ITEM #	ITEM TITLE	PRESENTER
A.	Approve HCC Board Goals for 2025-2026	Trustee Eva Loredo Trustee Laolu Davies-Yemitan

## RECOMMENDATION

Approve HCC Board goals for 2025-2026.

## COMPELLING REASON AND BACKGROUND

In accordance with policy BCG (Local), the Board as a whole shall review the Board's goals for the current year to ensure that all Trustees are familiar with Board priorities.

## STRATEGIC ALIGNMENT

1. Student Success, 2. Personalized Learning , 3. Academic Rigor , 4. Community Investment , 5. College of Choice

## ATTACHMENTS:

Description	Upload Date	Type
Proposed 2025-2026 HCC Board Goals	1/6/2026	Attachment

This item is applicable to the following: District

# 2025-2026 HCC Board Goals

## **Goals to Improve Board Internal Governance:**

1. HCC trustees affirm that we will operate as a policy board, and pledge to reframe from interfering with the day-to-day administrative operations for which we hold the Chancellor accountable.
2. Each Trustee will participate in at least one national conference for Community College Trustees *and in a Texas-based conference*.
3. Each Trustee will commit to attending at least one event in three other colleague's districts over the course of the year.
4. Trustees will continue to improve on the work of adherence to HCC board policies regarding board conduct, including but not limited to board ethics, conflict of interest, and prohibited practices, and
5. Trustees will get together at least twice a year for the purpose of building camaraderie.
6. Trustees will be given an opportunity to select the menu at least once a year for a meeting of their choice as a way of fostering more interpersonal familiarity with colleagues.
7. The board will participate in the strategic planning process to develop a consensus vision for real estate and facility planning that will position HCC to capitalize on the region's growth and population shifts into the future. (After vision is established, the Board will expect the Chancellor to develop a plan to achieve the Board's vision and recommend the Board's approval of that plan.)

## **Goals to Support College Goals:**

The Board will support the Chancellor's efforts to lead HCC in the implementation of the goals and objectives identified in the 2025-26 plan to address strategic priorities including but not limited to the following:

1. When performing its budget oversight responsibility, the board will review and approve the Chancellor's budget recommendations to ensure alignment with HCC's strategic priorities and the Chancellor's approved goals.
2. Support the Chancellor in the implementation of board priorities.
3. Student Success: The Board will support the Chancellor's efforts to lead HCC in the implementation of strategies to increase student success such as *Houston Reconnect*.
4. Increase Partnerships: The Board will a) expect that the Chancellor ensures the assessment of the workforce needs of the communities served by HCC are

integrated within the curriculum; and b) support efforts to meet employers' skills needs so that students are work-ready in a manner that aligns with industry needs.

5. Excess Revenue Management: Through Chancellor presentations at monthly meetings, the Board will monitor the Chancellor's efforts to make sure any excess revenue collected in FY 2025-2026 are expended in a manner that aligns with the board's priorities.
6. Support the HCC Foundation and the System in its fundraising efforts, particularly with a target of attracting larger endowed gifts. Expect Chancellor's recommendations for revisions to naming rights policy to position the College to attract larger gifts.
7. Require the Chancellor to recommend a college succession planning policy for Board Consideration/Approval.

# REPORT ITEM

Meeting Date: January 14, 2026

## Topics For Discussion and/or Action:

ITEM #	ITEM TITLE	PRESENTER
B.	Update on the Strategic Plan	Dr. Margaret Ford Fisher Dr. Andrea Burridge

## DISCUSSION

As Houston City College moves into the third sprint of *Embracing Houston's Future*, the focus shifts toward refining our priorities and advancing new actions that respond to the city's changing educational and workforce landscape. This stage is designed not only to build on the progress of earlier sprints but also to ensure decisions are guided by a thorough review of the data and outcomes achieved to date. By grounding our next steps in evidence and aligning them with emerging needs, the College can sustain momentum, strengthen accountability, and position itself to deliver even greater impact as we continue toward the full realization of the 10-year vision.

## COMPELLING REASON AND BACKGROUND

Houston City College's strategic plan, *Embracing Houston's Future*, was envisioned as a bold 10-year roadmap structured into three distinct 3-year sprints to balance long-term vision with short-term adaptability. As we now enter the third sprint, it is both timely and necessary to propose an update to the actions and priorities that will guide the next phase of implementation. The original plan was designed to be adaptive, recognizing that Houston's demographics, workforce demands, and educational landscape evolve rapidly, and that the College must remain agile to serve its students and community effectively. By updating our focus now, we ensure that the strategic plan continues to align with emerging opportunities and challenges, builds on the successes already achieved, and positions the institution to sustain momentum.

As HCC enters the third sprint of *Embracing Houston's Future*, we recommend streamlining priorities to ensure clarity, focus, and measurable impact. Guided by the framework of care, quality, and connection, the College should concentrate on actions that strengthen student support and well-being, elevate academic excellence and operational effectiveness, and deepen partnerships with the Houston community. By aligning all initiatives with this framework, we create a cohesive strategy that emphasizes compassion in service delivery, rigor in educational outcomes, and meaningful engagement with stakeholders. This streamlined approach will allow the College to maximize resources, sustain momentum, and reinforce its role as a trusted partner in shaping Houston's future.

## STRATEGIC ALIGNMENT

1. Student Success, 2. Personalized Learning, 3. Academic Rigor, 4. Community Investment, 5. College of Choice

## ATTACHMENTS:

Description

Upload Date Type

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

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



# Update on the Aspen Collaborative and the Strategic Plan

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Margaret Ford Fisher, Ed.D.  
Chancellor

Andrea Burridge, Ph.D.  
Vice Chancellor, Strategy, Planning, and Institutional  
Effectiveness

January 14, 2026

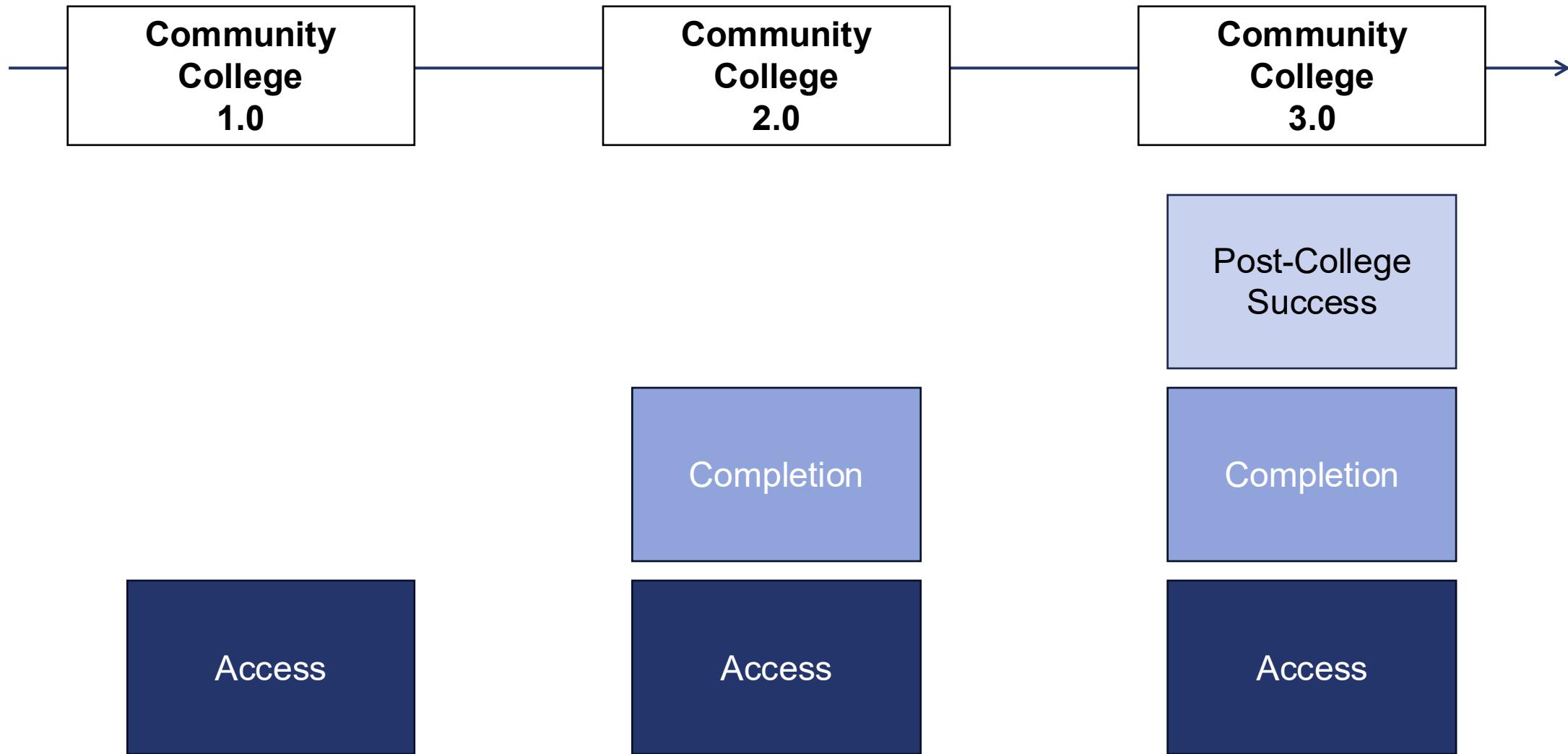
# Aspen CEO and Presidents Collaborative

1. Why and What  
of Reform

2. Goals and  
Metrics

3. Policies and  
Budgets

4. CEO-Board  
Relationship



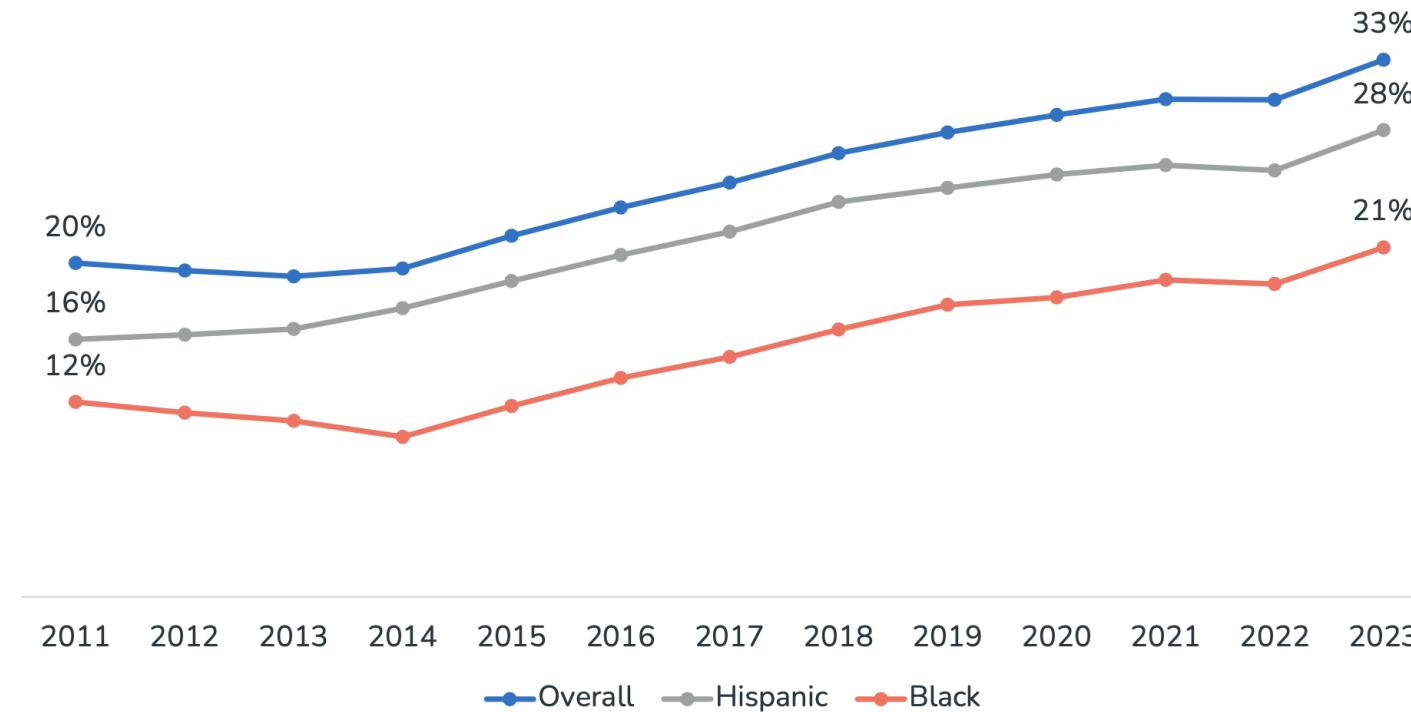
# The “Why”

# Graduation rates have improved but still must get better.

Graduation rates have improved steadily: from 20% in the 2008 cohort to 33% in the 2020 cohort.

But still, most community college starters do not earn any credentials in three years.

Three-Year Graduation Rate for Full-Time Students Enrolled for the First-Time at U.S. Community Colleges, by Race/Ethnicity



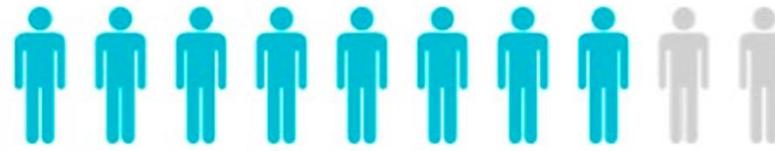
Source: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS)

PRESIDENTS & TRUSTEES  
COLLABORATIVE  
aspen institute

# Broken transfer negatively impacts millions of students.

**80%**

of community college students want a bachelor's degree



**33%**

of community college students transfer to a four-year institution



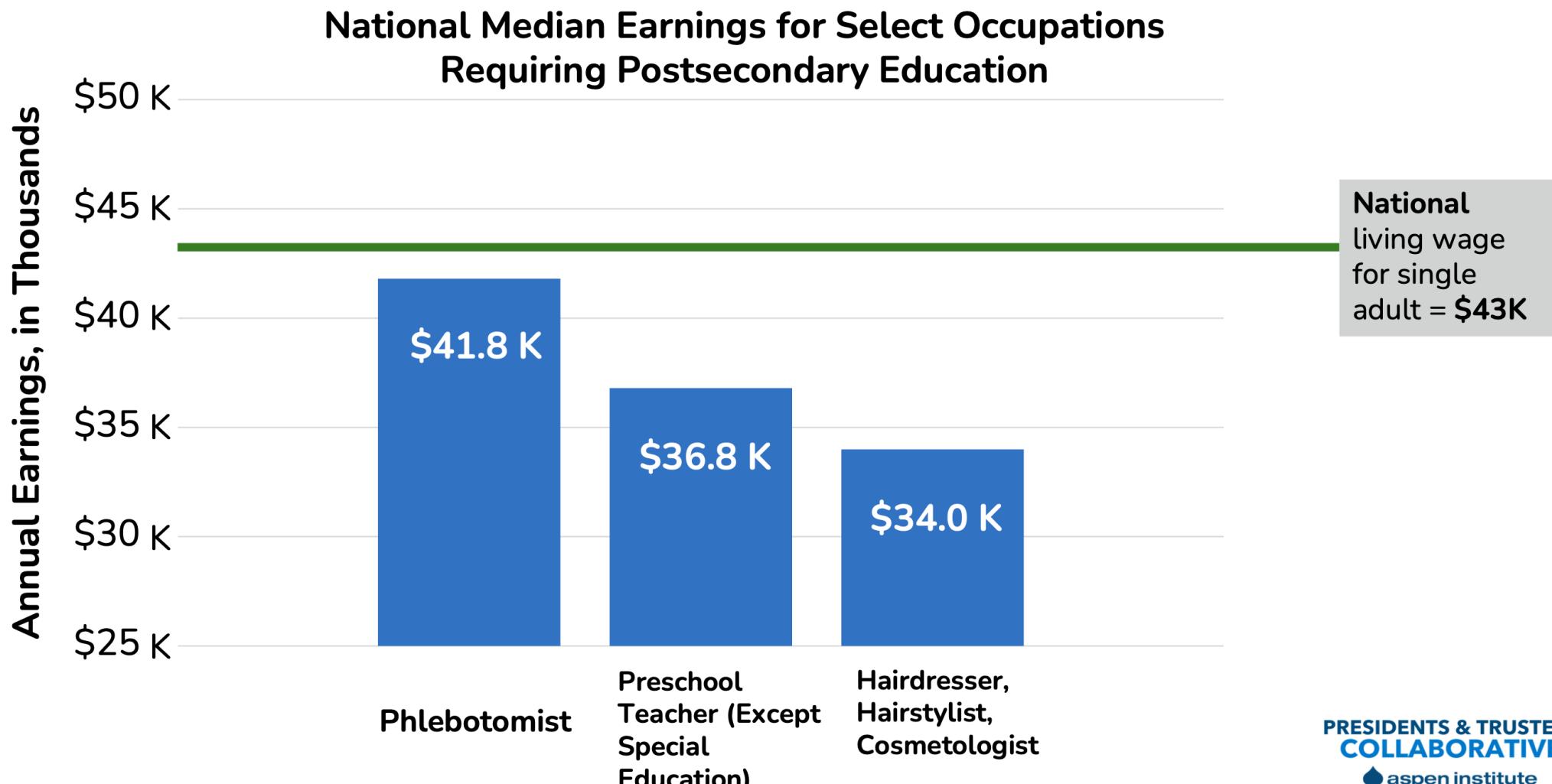
**16%**

of community college students will graduate with a bachelor's degree within six years of starting college



Source: Velasco, Fink, Bedoya-Guevara, Jenkins, & LaViolet. (2024, February). Tracking Transfer: Community College and Four-Year Institutional Effectiveness in Broadening Bachelor's Degree Attainment. In <https://ccrc.tc.columbia.edu/publications/Tracking-Transfer-Community-College-and-Four-Year-Institutional-Effectiveness-in-Broadening-Bachelors-Degree-Attainment.html>

# Workforce programs lead to variable wage outcomes.



## The “What”: Student Success Reforms

- Personalized Pathways: Advance access to family-sustaining career pathways
- Advising Redesign
- Smoothing Transfer Pathways
- Creating Connections (Caring Campus)
- Instructional Excellence

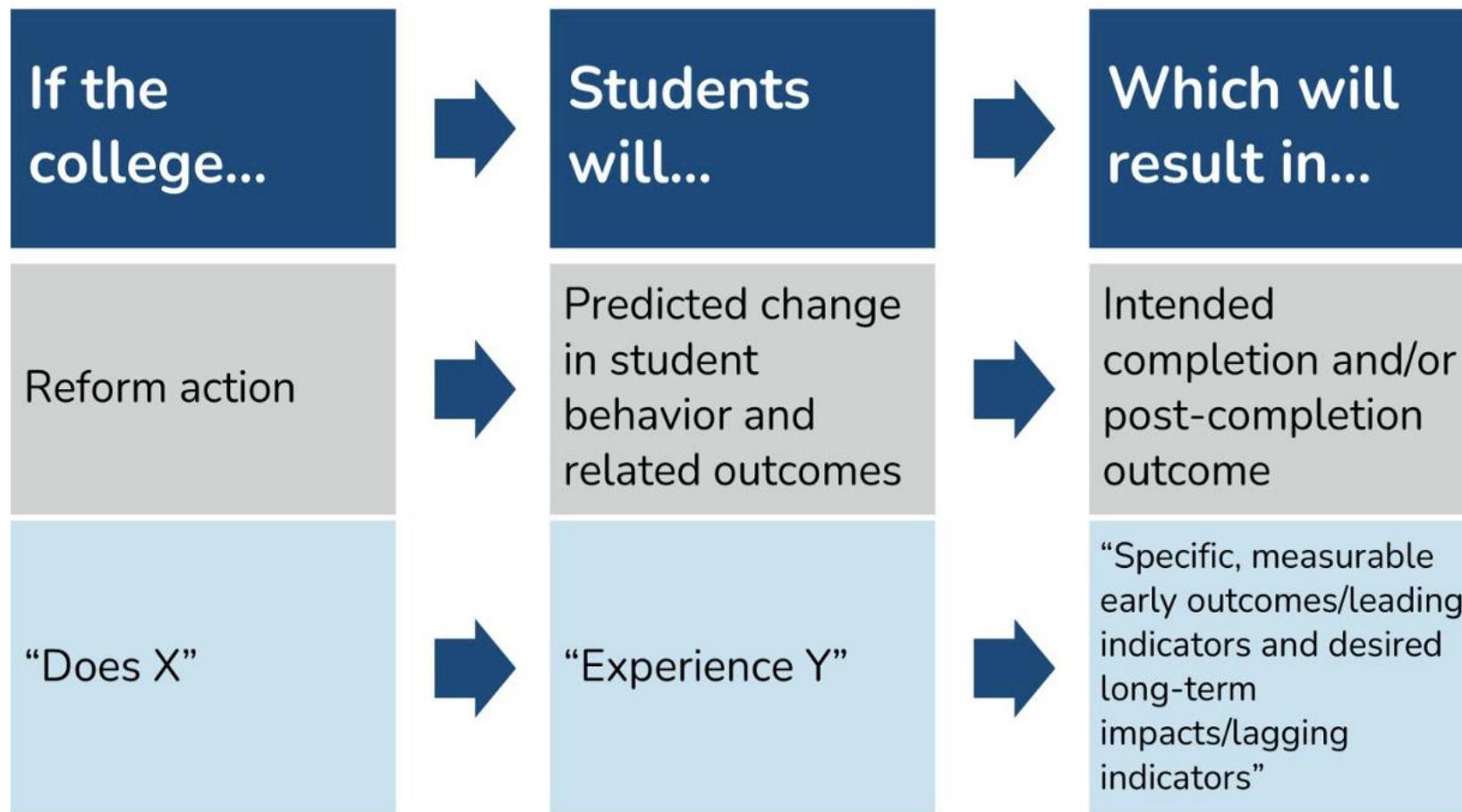
## Leading Indicators

- Number and percent of workforce students enrolled programs with wages above family-sustaining threshold
- Use of student support services
- Students with a full academic/transfer plan in first year
- Course completion rates
- Gateway course completion in first year
- Fall to Spring retention
- Fall to Fall persistence (add completion + transfer)
- Credit accumulation

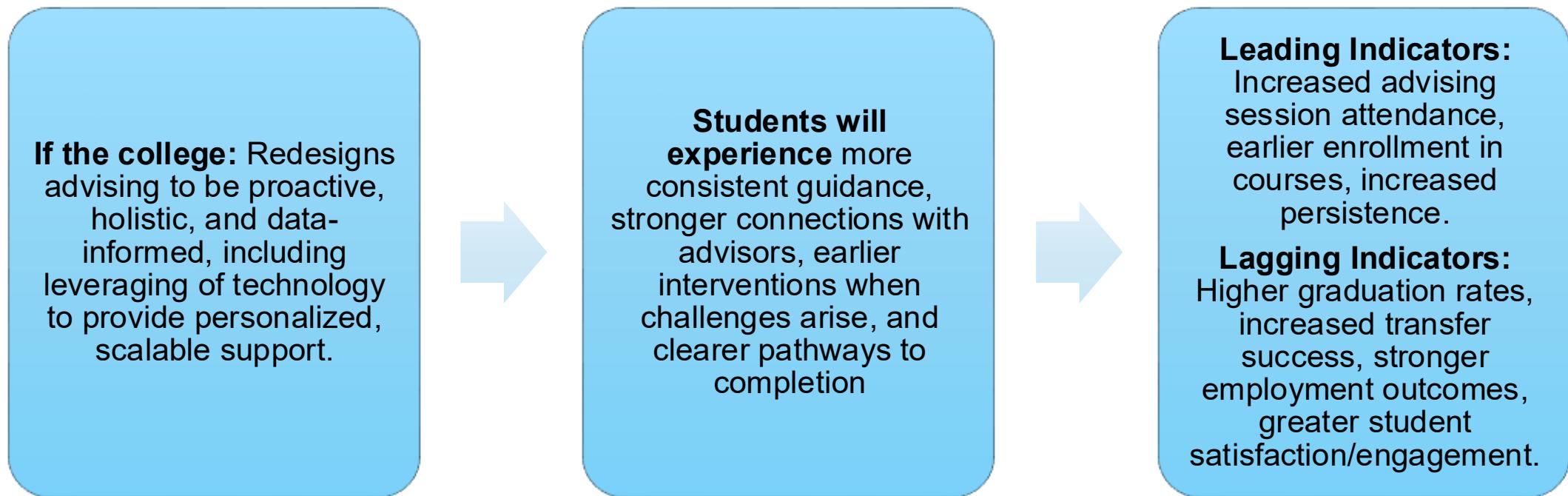
## Lagging Indicators

- Completion rate (150% and 200%)
- Credentials per 100 FTE
- Workforce program awards by post-completion value.
- Passage of licensure exams
- Number of students transferred to a 4-year institution within four years (includes 3-year completion to 4<sup>th</sup> year transfer)
- Increased student satisfaction/engagement

# Aspen Logic Model for Student Success Reforms



## Example: Advising Redesign



# Updates to the Strategic Plan

## Current Strategic Priorities

- Student Success: To build and sustain the ultimate student experience – a personalized experience that helps students discover and identify a path to achieve their goals, ensures relevant student learning through interactive and engaging instruction, and provides support along the way – where success is measured by demonstrated readiness for career placement, workforce entry, and/or college transfer.
- Personalized Learning: To provide customized instruction and assessments that support student success by understanding the students' unique needs, preferences, concerns, and aspirations. Personalized learning is student-directed, student-paced, and designed for each learner.
- Academic Rigor: To establish a set of common, high-quality curricular and instructional standards that continually challenge all students to demonstrate achievement of proficiencies throughout their academic journey with HCC.

## Current Strategic Priorities

**Community Investment:** To serve as an economic engine for the Greater Houston Region by creating access and opportunity that leverages the collective resources of the College to support student success by partnering with key constituents to ensure the creation of economic development opportunities in all of our local communities.

**College of Choice:** Advancing HCC as the model for the next generation of community colleges by setting the standard for quality and value in higher education; leading innovation of programs, industry partnerships and economic opportunities; and serving as a preeminent choice for students and employees.

# Updating the Priorities: Connecting the “Why” and the “What” of Reform

# Houston City College Strategic Priorities

## Leading with Excellence. Serving with Care.

(Proposed for Board Review)



### Student Success

Ensuring every student has the tools and pathways to achieve their goals



### Academic & Workforce Innovation

Driving Houston's future through innovative learning and career-aligned programs



### Community Investment

Advancing strategic partnerships to shape Houston's workforce and translate education into economic mobility and shared success



### AI Leadership

Leading Houston into the AI era by preparing students, transforming instruction, and optimizing operations



### College of Choice

Achieving top-tier performance in student outcomes, affordability, and operational effectiveness

# Quality, Care, Connection Framework

# **Leading with Excellence. Serving with Care.**

This isn't just a tagline; it's the mission that frames every action we take.  
Real leadership is an act of service.

# The Formula for Success



## Quality (The What)

Built on an unwavering pursuit of excellence in everything we do.



## Care (The How)

Built on a deep foundation of prioritizing and supporting our people.



## Connection (The Framework)

Held together by a shared purpose, unity, and our bond with the community.

# Pillar 1: Pursuing Quality

- Delivering rigorous, consistent, high-impact learning, whether on-campus or online.
- Ensuring every interaction with faculty and staff radiates professionalism.
- Modernizing our buildings and technology to support 21st-century learning.
- Using hard data to track, improve, and validate student success.



# Pillar 2: Prioritizing Care

- Creating a holistic culture of empathy, respect, and support.
- Caring for students, faculty, staff, the wider community, and ourselves.
- Actively knocking down real-world barriers that stop students from graduating.
- Investing in employee wellness, knowing that supported staff create supported students.



# Pillar 3: Strengthening Connection

- Breaking down silos between departments, campuses, and teams.
- Building stronger, deeper partnerships with school districts, universities, businesses and industry leaders.
- Promoting a single, unified "One HCC" identity for all.
- Connecting every employee's daily work back to our "Why" — the mission.



# Mapping to the Priorities Set by the Board of Trustees

# Quality, Care, and Connection: Advancing Houston's Future

Leading with Excellence. Serving with Care.

As we advance Embracing Houston's Future, Houston City College's 10-year strategic plan, five Aspen priorities align directly with our institutional framework of Quality, Care, and Connection the living expression of our vision and values.

Aspen Focus Area	Strategic Priorities 1.0	Redesigned Strategic Priorities	Aligned Pillar
1. Personalized Pathways Advance access to family-sustaining career pathways	Student Success, Personalized Learning	Student Success, Academic and Workforce Innovation, College of Choice	Quality
2. Advising Redesign	Student Success, Personalized Learning, College of Choice	Student Success, Community Investment, AI Leadership	Care
3. Smoother Transfer Pathways (TACC Work)	Student Success, Community Investment, College of Choice	Student Success, Academic and Workforce Innovation, Community Investment, College of Choice	Connection
4. Creating Connections (Caring Campus)	Student Success, Personalized Learning, College of Choice, Community Investment	Student Success, College of Choice	Care + Connection
5. Instructional Excellence	Student Success, Academic Rigor, Personalized Learning	Student Success, Academic and Workforce Innovation, AI Leadership, College of Choice	Quality

# Quality, Care, and Connection: Advancing Houston's Future

Leading with Excellence. Serving with Care.

As we advance Embracing Houston's Future, Houston City College's 10-year strategic plan, five Aspen priorities align directly with our institutional framework of Quality, Care, and Connection the living expression of our vision and values.

Aspen Focus Area	Aligned Pillar	Aligned HCC Values	Alignment with Vision
1. Personalized Pathways Advance access to family-sustaining career pathways	Quality	Drive to Innovate & Impassion to Learn	Ensures students have clear, high-quality pathways and are supported to completion of meaningful credentials and livable-wage careers.
2. Advising Redesign	Care	Devotion to Service & Empower to Trust	Reinforces individualized support that helps every student navigate their journey with clarity, confidence, and care.
3. Smoother Transfer Pathways (TACC Work)	Connection	Commitment to Collaborate & Empower to Trust	Strengthens partnerships within and across institutions to ensure seamless student transitions and shared accountability for success.
4. Creating Connections (Caring Campus)	Care + Connection	Devotion to Service & Commitment to Collaborate	Builds a sense of community and purpose by deepening relationships among students, faculty, and staff.
5. Instructional Excellence	Quality	Impassion to Learn & Drive to Innovate	Elevates teaching and learning through rigor, innovation, and continuous improvement that drive student success.

# Connecting Our Pillars to the Aspen Goals

Advancing Houston's Future through Quality, Care, and Connection

## Quality

### Personalized Pathways

Advance access to family-sustaining career pathways.

### Instructional Excellence

Elevate teaching, learning, and academic rigor.

## Care

### Advising for Success

Strengthen guidance, persistence, and completion.

### Culture of Care

Support students, employees, and communities.

## Connection

### Transfer for Momentum

Create seamless transitions and partnerships.

### Shared Alignment

Collaborate across campuses and initiatives.

# Questions

# ACTION ITEM

**Meeting Date:** January 14, 2026

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

ITEM #	ITEM TITLE	PRESENTER
C.	<b>Monthly Investment Report, Financial Statement and Budget Review for November 2025</b>	<b>Dr. Margaret Ford Fisher Robert McCracken</b>

## RECOMMENDATION

Accept the Investment Report, Financial Statement and Budget Review for the month of November 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 62% 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 November, the interest income earned for the month and fiscal year to date totaled \$856,783 and \$6,255,008, respectively. The weighted average interest rate (WAR) on November 30, 2025, was 4.00% compared to 4.02% last month and 4.48% a year ago.

Interest expense on outstanding debt was \$1,287,355 for the month of November 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 City College no less than quarterly.

## STRATEGIC ALIGNMENT

1. Student Success, 5. College of Choice

### ATTACHMENTS:

#### Description

Financial Report Presentation  
Investment Report - November 2025  
Financial Statement - November 2025

Upload Date	Type
12/18/2025	Presentation
12/18/2025	Attachment
12/18/2025	Attachment

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



# **FY 2026**

## **Summary of November 2025**

## **Monthly Financial Statements and**

## **Budget Review**

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**Dr. Margaret Ford Fisher, Chancellor**

**Robert McCracken, Vice Chancellor, Administration & Operations**

**Dawn Stephens, Interim Associate Vice Chancellor,  
Finance & Accounting**

**January 14, 2025**

# Fund 1: Unrestricted Revenues

	Budget Comparison			Previous Fiscal Year Comparison			
	FY 2026 Adjusted Budget	Year-to-Date Actuals Thru November 30, 2025		Year-to-Date Actuals Thru November 30, 2025	Year-to-Date Actuals Thru November 30, 2024	Increase (Decrease) FY 2026 Compared to FY 2025	% Increase (Decrease)
		2025	Actuals as a % of Budget				
<b>REVENUES</b>							
State Appropriations	\$ 72,938,399	\$ 37,371,606	51.2% <b>A</b>	\$ 37,371,606	\$ 32,610,174	\$ 4,761,432	14.6%
Ad Valorem Taxes	242,337,151	169,127	0.1% <b>B</b>	169,127	163,322	5,806	3.6%
Tuition & Fees, Net	114,395,960	85,842,329	75.0% <b>C</b>	85,842,329	80,602,932	5,239,397	6.5%
Other Local Income	19,406,390	5,094,091	26.2%	5,094,091	2,562,461	2,531,630	98.8%
Tuition & Fees, Net -- Extended Learning	7,609,984	3,941,118	51.8% <b>D</b>	3,941,118	3,597,931	343,186	9.5%
Grant Revenue - Indirect Cost	650,000	163,840	25.2%	163,840	171,108	(7,269)	-4.2%
<b>Total Revenues</b>	<b>457,337,884</b>	<b>132,582,110</b>	<b>29.0%</b>	<b>132,582,110</b>	<b>119,707,928</b>	<b>12,874,182</b>	<b>10.8%</b>
<b>Fund Balance Transfers In &amp; Rolled POs</b>	<b>17,569,376</b>	<b>17,569,376</b>	<b>100.0%</b>	<b>17,569,376</b>	<b>7,045,981</b>	<b>10,523,395</b>	<b>149.4%</b>
<b>Total Revenues and Fund Balance Transfers</b>	<b>\$ 474,907,260</b>	<b>\$ 150,151,486</b>	<b>31.6%</b>	<b>\$ 150,151,486</b>	<b>\$ 126,753,909</b>	<b>\$ 23,397,577</b>	<b>18.5%</b>

# Fund 1: Unrestricted Expenses

	Budget Comparison			Previous Fiscal Year Comparison			
	FY 2026 Adjusted	Year-to-Date Actuals		Year-to-Date Actuals Thru November 30, 2025	Year-to-Date Actuals Thru November 30, 2024	Increase (Decrease) FY 2026 Compared to FY 2025	% Increase (Decrease)
		Budget	2025	Actuals as a % of Budget			
<b>EXPENSES</b>							
Salaries	263,910,317	70,401,544	26.7%	70,401,544	66,491,878	3,909,666	5.9%
Employee Benefits	39,768,492	8,687,192	21.8%	8,687,192	8,127,621	559,571	6.9%
Supplies & General Expense	6,376,594	1,149,947	18.0%	1,149,947	1,173,897	(23,949)	-2.0%
Travel	1,367,651	65,690	4.8% E	65,690	94,968	(29,278)	-30.8%
Marketing Costs	4,234,888	415,396	9.8% F	415,396	125,280	290,116	231.6%
Rentals & Leases	477,476	23,846	5.0% G	23,846	112,288	(88,442)	-78.8%
Insurance/Risk Mgmt.	10,614,924	4,086,954	38.5% H	4,086,954	3,973,205	113,749	2.9%
Contracted Services	39,905,920	3,595,594	9.0% I	3,595,594	4,253,522	(657,928)	-15.5%
Utilities	11,657,218	1,468,173	12.6% J	1,468,173	2,038,725	(570,552)	-28.0%
Other Departmental Expenses	6,008,364	1,199,835	20.0%	1,199,835	649,116	550,719	84.8%
Instructional & Other Materials	10,817,263	2,194,573	20.3%	2,194,573	2,622,650	(428,077)	-16.3%
Maintenance & Repair	2,801,005	285,129	10.2% K	285,129	675,138	(390,009)	-57.8%
Transfers\Debt	43,562,510	25,451,244	58.4% L	25,451,244	20,807,098	4,644,146	22.3%
Contingency/Initiatives	6,340,863	-	0.0%	-	-	-	0.0%
Capital Outlay	15,565,363	2,544,270	16.3%	2,544,270	3,547,800	(1,003,530)	-28.3%
Scholarship Distribution	11,498,412	274,897	2.4% M	274,897	-	274,897	100.0%
<b>Total Expenses</b>	<b>\$ 474,907,260</b>	<b>\$ 121,844,284</b>	<b>25.7%</b>	<b>\$ 121,844,284</b>	<b>\$ 114,693,185</b>	<b>\$ 7,151,099</b>	<b>6.2%</b>
<b>NET REVENUE/(EXPENSES)</b>	<b>-</b>	<b>\$ 28,307,202</b>		<b>\$ 28,307,202</b>	<b>\$ 12,060,724</b>	<b>\$ 16,246,478</b>	

# Explanation of Variance Amounts

Variance Code	Notes
A	State appropriations are higher due to increases in HCC's performance tier allotment.
B	Ad Valorem Taxes are collected between December and March, leading to temporary fluctuations in monthly revenue.
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	Travel expenses are down due to the limited travel ban.
F	Marketing expenses occur based on timing of marketing campaigns.
G	Rental expenses occur based on events during the year.
H	Insurance Premiums are paid at irregular intervals, leading to inconsistent monthly costs.
I	Contracted Services is trending down but is expected to be with budget at year-end.
J	Utility expenses are lower this month but is expected to normalize.
K	Maintenance & Repairs occur as needed and vary from month to month.
L	Transfers/Debt occur at irregular intervals, debt payments occur twice per year. Transfer/Debt will be within budget by year-end.
M	Scholarships are distributed based on needs. Criterias are being reviewed to ensure maximum distribution.

# Thank You



## HOUSTON CITY COLLEGE

### MONTHLY INVESTMENT REPORT

**For the Month of November 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**  
**November 30, 2025**

Beginning Book Value (November 1, 2025)	\$ 470,065,260
Beginning Market Value (November 1, 2025)	\$ 471,886,568
Additions/Subtractions (Book Value - Net)	\$ (12,355,030)
Change in Market Value	\$ 226,396
Ending Book Value (November 30, 2025)	\$ 457,710,230
Ending Market Value (November 30, 2025)	\$ 459,757,943
Unrealized Gain/(Loss)	\$ 2,047,713
WAM (62% of Portfolio's Weighted Average Maturity )	1 day
WAM (38% of Portfolio's Weighted Average Maturity - Securities Held To Maturity)	285
* Net amount provided/(for) operations	\$ (12,342,377)
* Net amount provided/(for) CIP/others	<u>(12,653)</u>
	<u><u>\$ (12,355,030)</u></u>

**EXECUTIVE SUMMARY**  
**INVENTORY HOLDINGS REPORT**  
**November 30, 2025**

	<b>Ending Book Value</b>	<b>Ending Market Value</b>	<b>Unrealized Gain (Loss)</b>
US Treasuries	\$ 137,851,280	\$ 139,647,283	\$ 1,796,003
US Agencies	35,032,692	35,284,402	251,709
Local Government Pools	150,471,527	150,471,527	-
Money Market Funds	84,388,301	84,388,301	-
Certificate of Deposit	50,000,000	50,000,000	-
Interest Bearing Checking	(33,570)	(33,570)	-
<b>Total</b>	<b>\$ 457,710,230</b>	<b>\$ 459,757,943</b>	<b>\$ 2,047,713</b>
WAR (Weighted Average Interest Rate)		<u><u>4.00%</u></u>	

**INVESTMENTS**  
**INVENTORY HOLDINGS REPORT (OPERATING AND OTHERS)**  
**November 30, 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	7,315	\$ (1,475)	\$ 7,506	\$ 8,790	\$ (62)	\$ 8,728	\$ 7,446	\$ -	\$ (1,282)
Fannie Mae ARM Pool 805454	Bank of America	4.6720%	0.0000%	12/23/04	12/01/34	8,273	\$ (5,916)	\$ 8,506	\$ 14,189	\$ (55)	\$ 14,134	\$ 8,458	\$ -	\$ (5,676)
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	\$ 10,122,984	\$ 9,980,570	\$ -	\$ 9,980,570	\$ 10,150,939	\$ 27,956	\$ 170,369
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	\$ 10,000,171	\$ 9,837,891	\$ -	\$ 9,837,891	\$ 9,999,853	\$ (318)	\$ 161,963
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	\$ 9,973,828	\$ 17,969	\$ 7,422
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	\$ 14,777,930	\$ 14,510,850	\$ -	\$ 14,510,850	\$ 14,808,984	\$ 31,055	\$ 298,134
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	\$ 10,048,438	\$ 9,996,484	\$ -	\$ 9,996,484	\$ 10,063,672	\$ 15,234	\$ 67,188
FARMER MAC DOMESTIC MTN UNSECURED	Bank of America	3.6300%	3.5600%	09/13/24	09/13/27	15,000,000	\$ (27,510)	\$ 14,982,803	\$ 15,027,510	\$ -	\$ 15,027,510	\$ 15,009,346	\$ 26,543	\$ (18,164)
FARMER MAC DOMESTIC MTN UNSECURED	Bank of America	4.3500%	4.3430%	02/12/25	01/28/28	10,000,000	\$ (1,750)	\$ 10,146,220	\$ 10,001,750	\$ -	\$ 10,001,750	\$ 10,108,212	\$ (38,008)	\$ 106,462
U.S. Treasury Note US Govt Treasury	Bank of America	3.7500%	4.1240%	12/5/2024	8/31/2026	10,000,000	\$ 10,000,000	\$ 9,997,461	\$ 9,937,500	\$ -	\$ 9,937,500	\$ 10,002,297	\$ 4,836	\$ 64,797
U.S. Treasury Note US Govt Treasury	Bank of America	3.7500%	4.1640%	12/5/2024	8/31/2026	10,000,000	\$ 10,000,000	\$ 9,997,461	\$ 9,930,859	\$ -	\$ 9,930,859	\$ 10,002,297	\$ 4,836	\$ 71,438
U.S. Treasury Note US Govt Treasury	Bank of America	0.8800%	4.1540%	12/5/2024	6/30/2026	10,000,000	\$ 10,000,000	\$ 9,810,693	\$ 9,506,250	\$ -	\$ 9,506,250	\$ 9,836,172	\$ 25,479	\$ 329,922
U.S. Treasury Note US Govt Treasury	Bank of America	4.5000%	4.2080%	1/29/2025	3/31/2026	15,000,000	\$ 15,000,000	\$ 15,039,990	\$ 15,048,633	\$ -	\$ 15,048,633	\$ 15,031,664	\$ (8,326)	\$ (16,969)
U.S. Treasury Note US Govt Treasury	Bank of America	3.5000%	4.0790%	2/26/2025	1/31/2028	30,000,000	\$ 30,000,000	\$ 29,933,203	\$ 29,524,219	\$ -	\$ 29,524,219	\$ 30,000,000	\$ 66,797	\$ 475,781
U.S. Treasury Note US Govt Treasury	Bank of America	2.7500%	4.0810%	2/26/2025	2/15/2028	10,000,000	\$ 10,000,000	\$ 9,812,891	\$ 9,631,250	\$ -	\$ 9,631,250	\$ 9,843,750	\$ 30,859	\$ 212,500
U.S. Treasury Note US Govt Treasury	Bank of America	3.8800%	4.0150%	3/19/2025	3/15/2028	10,000,000	\$ 10,000,000	\$ 10,063,281	\$ 9,960,938	\$ -	\$ 9,960,938	\$ 10,084,766	\$ 21,484	\$ 123,828
Debt Service 2001A Bond Interest Checking	Bank of America	1.9500%				-	\$ 1,308.84	\$ 1,308.84	\$ 2	\$ 1,311	\$ 1,311	\$ -	\$ -	
HCCS Merchant Service	Bank of America	0.7100%				-	\$ 427.24	\$ 427.24	\$ (362)	\$ 66	\$ 66	\$ -	\$ -	
LTD 2013 Tax Bond General Checking	Bank of America	1.9500%				-	\$ 421.10	\$ 421.10	\$ 201	\$ 622	\$ 622	\$ -	\$ -	
Merrill Lynch (Morgan Stanley Govt/Goldman Sachs	Bank of America	3.9200%				-	\$ 3,186.48	\$ 3,186.48	\$ 11	\$ 3,197	\$ 3,197	\$ -	\$ -	
Money Market 2006 Jr. Lien Debt Reserve	Bank of America	3.9200%				-	\$ 3,150,640	\$ 3,150,640	\$ 10,784	\$ 3,161,423	\$ 3,161,423	\$ -	\$ -	
Debt Service 2001A Bond Interest Checking	JP Morgan Chase	3.9200%				-	-	-	-	-	-	-	-	
HCCS Merchant Service	JP Morgan Chase	3.9200%				-	-	-	-	-	-	-	-	
LTD 2013 Tax Bond General Checking	JP Morgan Chase	3.9200%				-	\$ 57,673.49	\$ 57,673.49	\$ (93,242.18)	\$ (35,568.69)	\$ (35,568.69)	\$ -	\$ -	
Merrill Lynch (Morgan Stanley Govt/Goldman Sachs	JP Morgan Chase	0.0000%				-	\$ 94,000,001.00	\$ 94,000,001.00	\$ (12,776,321.01)	\$ 81,223,679.99	\$ 81,223,679.99	\$ -	\$ -	
Money Market 2006 Jr. Lien Debt Reserve	JP Morgan Chase	1.9500%				-	-	-	-	-	-	-	-	
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	4.1255%				-	\$ 68,702,168.80	\$ 68,702,168.80	\$ 230,862.02	\$ 68,933,030.82	\$ 68,933,030.82	\$ -	\$ -	
TexPool - General Funds	State Street Bank	4.0372%				-	\$ 12,835,984.89	\$ 12,835,984.89	\$ 98,155.44	\$ 12,934,140.33	\$ 12,934,140.33	\$ -	\$ -	
TexPool - Prime	State Street Bank	4.1459%				-	\$ 68,429,359.22	\$ 68,429,359.22	\$ 174,996.83	\$ 68,604,356.05	\$ 68,604,356.05	\$ -	\$ -	
<b>TOTAL</b>							<b>\$ 471,886,568</b>	<b>\$ 470,065,260</b>	<b>\$ (12,355,030)</b>	<b>\$ 457,710,230</b>	<b>\$ 459,757,943</b>	<b>\$ 226,396</b>	<b>\$ 2,047,713</b>	



# **Summary Operating Statements**

**For the Period  
September 1, 2025 - November 30, 2025**

**For the Meeting of the Board of Trustees - January 14, 2026**

**for**

**Houston City College**

# Table of Contents

For the Period September 1, 2025 - November 30, 2025

## Houston City College

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**Summary of Financial Statements**  
**As of November 30, 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 November 30, 2025, total revenues and fund balance transfer-ins are \$150.2 million. This represents 31.6% of the budgeted total of \$474.9 million. Expenses total \$121.8 million to date, which is 25.7% of the total expense budget of \$474.9 million. Compared with the same period last year, revenues and transfers are higher by 18.5% and expenses are higher by 6.2%. Actual net revenue is \$28.3 million to date.

Ad Valorem tax revenue collections are higher 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 6.5% higher than last year at this time. Gross tuition and fee revenues are up 10.6% 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 40.5% primarily due to Dual Credit waivers.

Continuing Education/Non-credit tuition and fees, net are 9.5% higher than last year at this time. Gross tuition and fees revenues are up by 9.5%.

Actual salaries for FY 2025 are 5.9% 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 6.9% 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 1,287,355 compared to this time in FY 2025 of \$1,500,797.

**HOUSTON CITY COLLEGE**  
**Statement of Revenues, Expenses and Fund Balances - All Funds**  
**As of November 30, 2025**

	Unrestricted	Restricted	Auxiliary	Loans	Scholarship	Unexpended Plant	Capital and Technology	Retirement of Debt	Investment in Plant	Total
<b>Revenues</b>	\$ 132,582,110	\$ 13,822,153	\$ 3,096,230	\$ 30,011,471	\$ 63,816,852	\$ (28,063,765)	\$ 28,687,500	\$ 3,185,662	\$ -	\$ 247,138,213
<b>Expenses</b>										
Salaries	70,401,544	1,284,757	242,673	-	908,463	-	-	-	-	72,837,437
Employee Benefits	8,687,192	5,450,641	47,696	-	-	-	-	-	-	14,185,530
Supplies & General Expense	1,150,348	62,551	138,078	-	-	339	79,052	-	-	1,430,367
Travel	65,690	17,308	890	-	-	-	-	-	-	83,888
Marketing Costs	415,396	14,084	1,564	-	-	-	-	-	-	431,044
Rentals & Leases	23,445	-	850	-	-	-	-	-	-	24,295
Insurance/Risk Mgmt.	4,086,954	-	147	-	-	-	-	-	-	4,087,101
Contracted Services	3,595,594	47,039	134,016	-	-	5,160	95,224	(0)	-	3,877,032
Utilities	1,468,173	-	54,827	-	-	-	-	-	-	1,523,000
Other Departmental Expenses	1,199,835	129,542	72,083	-	63,939	-	-	-	-	1,465,399
Instructional & Other Materials	2,194,573	10,249	454	-	-	57,814	380,710	-	-	2,643,799
Maintenance & Repair	285,129	9,572	-	-	-	-	-	-	-	294,701
Transfers (In)/Out <sup>1</sup>	25,445,044	-	-	-	(461,117)	(29,265,716)	970,216	3,311,573	-	-
Debt	6,200	-	-	-	-	-	-	398,809	-	405,009
Capital Outlay	2,544,270	54,570	8,997	-	-	2,490,724	1,631,874	-	-	6,730,435
Amortization/Depreciation	-	-	-	-	-	-	-	-	-	-
Scholarship Distribution	274,897	-	579,960	30,011,471	63,420,229	-	-	-	9,177,970	103,464,528
<b>Total Expenses</b>	<b>121,844,284</b>	<b>7,080,311</b>	<b>1,282,235</b>	<b>30,011,471</b>	<b>63,931,515</b>	<b>(26,711,679)</b>	<b>3,157,075</b>	<b>3,710,382</b>	<b>9,177,970</b>	<b>213,483,564</b>
<b>Net Revenues/(Expenses)</b>	<b>10,737,826</b>	<b>6,741,842</b>	<b>1,813,995</b>	<b>-</b>	<b>(114,663)</b>	<b>(1,352,085)</b>	<b>25,530,425</b>	<b>(524,720)</b>	<b>(9,177,970)</b>	<b>33,654,650</b>
<b>Other Adjustments and Transfers</b>										
Debt Principal Payments <sup>2</sup>	-	-	-	-	-	-	-	-	-	-
Debt Refinancing	-	-	-	-	-	-	-	-	-	-
Capitalization of Assets & CIP <sup>2</sup>	-	-	-	-	-	256,501	1,392,443	-	2,310,271	3,959,215
Transfers of Completed Projects/Assets	-	-	-	-	-	-	-	-	-	-
Transfers of Balances between Funds	-	-	-	-	-	-	-	-	-	-
<b>Total Other Adjustments and Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>256,501</b>	<b>1,392,443</b>	<b>-</b>	<b>2,310,271</b>	<b>3,959,215</b>
<b>Beginning Fund Balances, Unaudited</b>	<b>42,783,471</b>	<b>897,080</b>	<b>23,605,095</b>	<b>238,698</b>	<b>4,017,685</b>	<b>113,211,233</b>	<b>-</b>	<b>20,049,078</b>	<b>603,653,201</b>	<b>808,455,540</b>
<b>Ending Fund Balances</b>	<b>\$ 53,521,296</b>	<b>\$ 7,638,922</b>	<b>\$ 25,419,091</b>	<b>\$ 238,698</b>	<b>\$ 3,903,022</b>	<b>\$ 112,115,648</b>	<b>\$ 26,922,868</b>	<b>\$ 19,524,358</b>	<b>\$ 596,785,501</b>	<b>\$ 846,069,405</b>

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

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

**HOUSTON CITY COLLEGE**  
**Unrestricted Revenues and Expenses**  
**Comparison to Budget and Previous Fiscal Year**  
**As of November 30, 2025**

**25% of Year**

	Budget Comparison			Previous Fiscal Year Comparison			
	FY 2026 Adjusted Budget	Year-to-Date Actuals Thru November 30, 2025		Actuals as a % of Budget	Year-to-Date Actuals Thru November 30, 2025	Year-to-Date Actuals Thru November 30, 2024	Increase (Decrease) FY 2026 Compared to FY 2025
<b>REVENUES</b>							
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	169,127	0.1%	169,127	163,322	5,806	3.6%
Tuition & Fees, Net	114,395,960	85,842,329	75.0%	85,842,329	80,602,932	5,239,397	6.5%
Other Local Income	19,406,390	5,094,091	26.2%	5,094,091	2,562,461	2,531,630	98.8%
Tuition & Fees, Net -- Extended Learning	7,609,984	3,941,118	51.8%	3,941,118	3,597,931	343,186	9.5%
Grant Revenue - Indirect Cost	650,000	163,840	25.2%	163,840	171,108	(7,269)	-4.2%
<b>Total Revenues</b>	<b>457,337,884</b>	<b>132,582,110</b>	<b>29.0%</b>	<b>132,582,110</b>	<b>119,707,928</b>	<b>12,874,182</b>	<b>10.8%</b>
<b>Fund Balance Transfers-In</b>	<b>17,569,376</b>	<b>17,569,376</b>	<b>100.0%</b>	<b>17,569,376</b>	<b>7,045,981</b>	<b>10,523,395</b>	<b>149.4%</b>
<b>Total Revenues and Fund Balance Transfers</b>	<b>\$ 474,907,260</b>	<b>\$ 150,151,486</b>	<b>31.6%</b>	<b>\$ 150,151,486</b>	<b>\$ 126,753,909</b>	<b>\$ 23,397,577</b>	<b>18.5%</b>
<b>EXPENSES</b>							
Salaries	263,910,317	70,401,544	26.7%	70,401,544	66,491,878	3,909,666	5.9%
Employee Benefits	39,768,492	8,687,192	21.8%	8,687,192	8,127,621	559,571	6.9%
Supplies & General Expense	6,376,594	1,149,947	18.0%	1,149,947	1,173,897	(23,949)	-2.0%
Travel	1,367,651	65,690	4.8%	65,690	94,968	(29,278)	-30.8%
Marketing Costs	4,234,888	415,396	9.8%	415,396	125,280	290,116	231.6%
Rentals & Leases	477,476	23,846	5.0%	23,846	112,288	(88,442)	-78.8%
Insurance/Risk Mgmt.	10,614,924	4,086,954	38.5%	4,086,954	3,973,205	113,749	2.9%
Contracted Services	39,905,920	3,595,594	9.0%	3,595,594	4,253,522	(657,928)	-15.5%
Utilities	11,657,218	1,468,173	12.6%	1,468,173	2,038,725	(570,552)	-28.0%
Other Departmental Expenses	6,008,364	1,199,835	20.0%	1,199,835	649,116	550,719	84.8%
Instructional & Other Materials	10,817,263	2,194,573	20.3%	2,194,573	2,622,650	(428,077)	-16.3%
Maintenance & Repair	2,801,005	285,129	10.2%	285,129	675,138	(390,009)	-57.8%
Transfers\Debt	43,562,510	25,451,244	58.4%	25,451,244	20,807,098	4,644,146	22.3%
Contingency/Initiatives	6,340,863	-	0.0%	-	-	-	0.0%
Capital Outlay	15,565,363	2,544,270	16.3%	2,544,270	3,547,800	(1,003,530)	-28.3%
Scholarship Distribution	11,498,412	274,897	2.4%	274,897	-	274,897	100.0%
<b>Total Expenses</b>	<b>\$ 474,907,260</b>	<b>\$ 121,844,284</b>	<b>25.7%</b>	<b>\$ 121,844,284</b>	<b>\$ 114,693,185</b>	<b>\$ 7,151,099</b>	<b>6.2%</b>
<b>NET REVENUE/(EXPENSES)</b>	<b>-</b>	<b>\$ 28,307,202</b>		<b>\$ 28,307,202</b>	<b>\$ 12,060,724</b>	<b>\$ 16,246,478</b>	

**HOUSTON CITY COLLEGE**  
**Auxiliary Revenues and Expenses by Fund**  
**As of November 30, 2025**

**Auxiliary Funds - Uncommitted Portion**

	Main Leasing	Misc. Auxiliary*	Bookstore Commission	Scholarships	Subtotal Uncommitted
<b>Revenues</b>	\$ 1,374,941	\$ 93,720	\$ 449,293	\$ -	\$ 1,917,954
<b>Expenses</b>					
Salaries	74,613	25,656	-	17,450.30	117,719
Employee Benefits	17,065	3,495	-	209.33	20,769
Supplies & General Expense	10,382	6,699	-		17,081
Travel		-			-
Marketing Costs		-			-
Rentals & Leases		-			-
Insurance/Risk Mgmt.		-			-
Contracted Services	107,861.78	4,042.80	-		111,905
Utilities		-			-
Other Departmental Expenses	54,939	65,347.37	-		120,287
Instructional & Other Materials		-			-
Maintenance & Repair		-			-
Transfers/Debt		-			-
Capital Outlay		-			-
Scholarship Distribution		-	579,959.98		579,960
<b>Total Expenses</b>	<b>264,861</b>	<b>105,240</b>	<b>-</b>	<b>597,620</b>	<b>967,720</b>
<b>Contribution to Fund Balance</b>	<b>\$ 1,110,080</b>	<b>\$ (11,519)</b>	<b>\$ 449,293</b>	<b>\$ (597,620)</b>	<b>\$ 950,234</b>
<b>Beginning Fund Balance, Unaudited</b>					<b>\$ 19,421,438</b>
<b>Ending Fund Balance</b>					<b>\$ 20,371,672</b>

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

**HOUSTON CITY COLLEGE**  
**Auxiliary Revenues and Expenses By Fund**  
**As of November 30, 2025**

**Auxiliary Funds - International and Committed Portions**

	International		Committed				Total
	Other International Initiatives	Subtotal International	Student Vending Commission	Student Activity Fee	Student Athletic Fee	Subtotal Committed	Total Auxiliary
<b>Revenues</b>	\$ -	\$ -	\$ 664,928	\$ 513,348	\$ 1,178,276		\$ 3,096,230
<b>Expenses</b>							
Salaries	-	-	-	20,787.65	104,165.84	124,953	242,673
Employee Benefits	-	-	-	1,582.20	25,345.30	26,928	47,696
Supplies & General Expense	5,929	5,929	-	96,778.16	21,197.94	117,976	140,985
Travel	-	-	-	-	-	-	-
Marketing Costs	-	-	-	-	-	-	-
Rentals & Leases	-	-	-	-	-	-	-
Insurance/Risk Mgmt.	-	-	-	-	-	-	-
Contracted Services	-	-	6,425	20,975	27,400		139,305
Utilities	-	-	-	-	-	-	-
Other Departmental Expenses	-	-	5,954.21	5,375	11,329		131,615
Instructional & Other Materials	-	-	-	-	-	-	-
Maintenance & Repair	-	-	-	-	-	-	-
Transfers/Debt	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Scholarship Distribution	-	-	-	-	-	-	579,960
<b>Total Expenses</b>	<b>5,929</b>	<b>5,929</b>	<b>-</b>	<b>131,527</b>	<b>177,059</b>	<b>308,586</b>	<b>1,282,235</b>
<b>Contribution to Fund Balance</b>	<b>(5,929)</b>	<b>(5,929)</b>	<b>-</b>	<b>533,401</b>	<b>336,289</b>	<b>869,690</b>	<b>1,813,995</b>
<b>Beginning Fund Balance, Unaudited</b>	<b>1,399,422</b>		<b>(1,284,080)</b>	<b>2,083,297</b>	<b>1,985,018</b>	<b>2,784,235</b>	<b>23,605,095</b>
<b>Ending Fund Balance</b>	<b>\$ 1,393,494</b>		<b>\$ (1,284,080)</b>	<b>\$ 2,616,698</b>	<b>\$ 2,321,307</b>	<b>\$ 3,653,925</b>	<b>\$ 25,419,091</b>

**HOUSTON CITY COLLEGE**  
**Unrestricted Adjusted Budgets and Actuals by Division - Summary Comparison**  
**As of November 30, 2025**  
**25% of Year**

Division	FY 2026 Adjusted Budget	Actuals as of November 30, 2025		% Spent	FY 2025 Adjusted Budget	Actuals as of November 30, 2024		% Spent
		\$	2025		\$	2024		
Central College	\$ 16,741,995	\$ 4,418,187	26.4%		\$ 15,727,105	3,866,634		24.6%
Northwest College	20,455,112	5,130,877	25.1%		19,606,207	4,475,120		22.8%
Northeast College	18,662,244	4,890,962	26.2%		17,550,012	4,278,524		24.4%
Southwest College	17,828,760	5,013,785	28.1%		16,447,165	4,449,447		27.1%
Southeast College	18,893,073	5,245,881	27.8%		18,089,814	5,158,436		28.5%
Coleman College	24,247,624	5,607,173	23.1%		22,850,654	5,319,456		23.3%
Academic Instruction	86,275,386	24,644,810	28.6%		84,498,418	23,735,281		28.1%
Office of the Chancellor	12,539,266	2,693,556	21.5%		11,951,633	2,548,549		21.3%
Instructional Services	13,478,125	1,896,433	14.1%		13,187,533	1,814,341		13.8%
Online College	3,598,902	822,371	22.9%		3,447,178	756,300		21.9%
Student Services	11,201,343	1,991,923	17.8%		11,786,814	1,966,614		16.7%
Strategy, Planning & Institutional Effectiveness	5,481,118	1,003,031	18.3%		5,691,316	974,457		17.1%
External & Governmental Relations, Transfers and Alumni Relations	2,290,535	389,663	17.0%		2,086,732	262,517		12.6%
Legal & Compliance	19,466,516	5,292,706	27.2%		17,985,473	4,956,812		27.6%
Finance & Accounting	86,833,285	14,681,262	16.9%		82,393,931	18,637,177		22.6%
System	108,228,042	36,828,619	34.0%		117,908,678	30,478,953		25.8%
<b>Grand Total</b>	<b>\$ 474,907,260</b>	<b>\$ 121,844,284</b>	<b>25.7%</b>		<b>\$ 467,949,237</b>	<b>\$ 114,693,185</b>		<b>24.5%</b>

# HOUSTON CITY COLLEGE

## Balance Sheet by Fund

As of November 30, 2025

	CURRENT & LOAN FUNDS <sup>1</sup>	PLANT & BOND FUNDS <sup>2</sup>	TOTAL ALL FUNDS	PRIOR YEAR TOTAL ALL FUNDS
<b>ASSETS</b>				
Current Assets:				
Cash & cash equivalents	\$ 137,583,660	\$ 129,503,843	\$ 267,087,503	\$ 222,525,282
Accounts receivable (net)	61,302,492	2,949,363	64,251,855	33,361,251
Deferred charges	25,094	-	25,094	12,374,580
Prepays	4,810,287	-	4,810,287	9,098,114
Total Current Assets	<u>203,721,533</u>	<u>132,453,206</u>	<u>336,174,739</u>	<u>277,359,227</u>
Non-current Assets:				
Restricted cash & cash equivalents	-	23,996,406	23,996,406	34,810,115
Restricted long-term investments	-	15,905	15,905	-
Long-term investments	174,915,781	-	174,915,781	219,554,291
Long-term lease receivable	18,241,761	-	18,241,761	18,241,761
Capital assets, net	9,020,404	1,120,061,191	1,129,081,595	1,134,300,351
Total Non-current Assets	<u>202,177,946</u>	<u>1,144,073,502</u>	<u>1,346,251,448</u>	<u>1,406,906,518</u>
<b>Total Assets</b>	<b><u>\$ 405,899,479</u></b>	<b><u>\$ 1,276,526,708</u></b>	<b><u>\$ 1,682,426,187</u></b>	<b><u>\$ 1,684,265,745</u></b>
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	<u>\$ 32,508,116</u>	<u>\$ 1,300,727</u>	<u>\$ 33,808,843</u>	<u>\$ 33,808,843</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<b><u>\$ 438,407,594</u></b>	<b><u>\$ 1,277,827,435</u></b>	<b><u>\$ 1,716,235,030</u></b>	<b><u>\$ 1,718,074,588</u></b>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable	18,387,675	138,835	18,526,510	17,734,123
Accrued Interest- SBITA	466,208	-	466,208	466,208
Accrued liabilities	765,799	608,222	1,374,021	8,552,333
Compensated absences	15,972,276	-	15,972,276	15,972,276
Funds held for others	660,564	189,209	849,773	841,776
Deferred revenue	946,053	-	946,053	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	<u>46,643,389</u>	<u>39,234,299</u>	<u>85,877,688</u>	<u>124,430,213</u>
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	<u>232,342,056</u>	<u>474,888,622</u>	<u>707,230,678</u>	<u>707,230,678</u>
<b>Total Liabilities</b>	<b><u>\$ 278,985,445</u></b>	<b><u>\$ 514,122,921</u></b>	<b><u>\$ 793,108,366</u></b>	<b><u>\$ 831,660,891</u></b>
Deferred Inflows of Resources:				
Leases	20,327,377	-	20,327,377	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	<u>\$ 68,701,122</u>	<u>\$ 8,356,137</u>	<u>\$ 77,057,259</u>	<u>\$ 77,958,157</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b><u>\$ 347,686,567</u></b>	<b><u>\$ 522,479,058</u></b>	<b><u>\$ 870,165,625</u></b>	<b><u>\$ 909,619,048</u></b>
<b>Fund Balance</b>	<b>\$ 126,914,035</b>	<b>\$ 762,403,787</b>	<b>\$ 889,317,822</b>	<b>852,604,854</b>
<b>Beginning Fund Balances, Unaudited</b>	<b>71,542,029</b>	<b>736,913,510</b>	<b>808,455,539</b>	<b>734,321,024</b>
Net Revenue/(Expenses)				
Unrestricted	12,551,821	-	12,551,821	(24,597,750)
Restricted	6,627,178	-	6,627,178	674,395
Net Investment in Plant	-	18,434,867	18,434,867	98,057,870
<b>Ending Fund Balances</b>	<b><u>\$ 90,721,027</u></b>	<b><u>\$ 755,348,377</u></b>	<b><u>\$ 846,069,405</u></b>	<b><u>\$ 808,455,539</u></b>
<b>Total Liabilities &amp; Fund Balances</b>	<b><u>\$ 438,407,594</u></b>	<b><u>\$ 1,277,827,435</u></b>	<b><u>\$ 1,716,235,030</u></b>	<b><u>\$ 1,718,074,588</u></b>

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

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

**HOUSTON CITY COLLEGE**  
**Exemptions and Waivers Detail**  
**As of November 30, 2025**

	FY 2025		FY 2026		Actuals % Increase/ (Decrease)YTD vs. Prior YTD
	Prior Year Activity thru 8/31/2025	Year-to-Date Activity thru 11/30/2024	Year-to-Date Activity thru 11/30/2025		
	<b>Tuition &amp; Fees</b>				
<b>Budget:</b>					
Adjusted Budget, Annual*	\$ 126,237,802	\$ 80,602,932	\$ 114,395,960		41.9%
<b>Revenues:</b>					
Gross Tuition & Fees	151,515,167	91,586,212	101,269,041		10.6%
<i>Waivers &amp; Exemptions:</i>					
Dual Credit & Early College HS	(19,222,225)	(9,718,059)	(14,019,820)		44.3%
Other	(2,947,494)	(1,265,221)	(1,406,892)		11.2%
Total Waivers & Exemptions	<u>(22,169,719)</u>	<u>(10,983,280)</u>	<u>(15,426,712)</u>		40.5%
<b>Total Tuition &amp; Fees Revenue, Net</b>	<b>\$ 129,345,448</b>	<b>\$ 80,602,932</b>	<b>\$ 85,842,329</b>		<b>6.5%</b>
<b>Tuition &amp; Fees - Extended Learning (EL)</b>					
<b>Budget:</b>					
Adjusted Budget, Annual*	\$ 7,885,993	\$ 3,597,931	\$ 7,609,984		111.5%
<b>Revenues:</b>					
Gross Tuition & Fees	8,435,498	3,597,931	3,941,117		9.5%
<i>Waivers &amp; Exemptions:</i>					
Department of Corrections	-	-	-		0.0%
<b>Total EL Tuition &amp; Fees Revenue, Net</b>	<b>\$ 8,435,498</b>	<b>\$ 3,597,931</b>	<b>\$ 3,941,117</b>		<b>9.5%</b>
<b>Exemptions &amp; Waivers</b>					
	Prior Year Activity thru 8/31/2025	Year-to-Date Activity thru 11/30/2024	Year-to-Date Activity thru 11/30/2025	Actuals % Increase/ (Decrease)YTD vs. Prior YTD	
	Dual Credit & Early College HS Waiver	19,222,225	9,718,059	14,019,820	44.3%
<b>Other Exemptions:</b>					
Employee Fee Exemptions	46,164	22,516	26,194		16.3%
Firemen	43,929	18,669	15,272		-18.2%
Hazelwood	1,265,115	540,018	597,891		10.7%
Deaf & Blind	141,103	75,231	80,541		7.1%
High Ranking High School Grad	1,364	880	-		-100.0%
Good Neighbor Program	104,266	44,832	21,622		-51.8%
Child of Disabled Vet	2,817	2,340	3,501		49.6%
Employee of State College & University	4,703	4,275	1,283		-70.0%
Non-resident Teach/Research Assistant	10,602	2,138	7,396		245.9%
Non-resident Competitive Scholarships	6,555	3,705	1,710		-53.8%
Senior Citizens	445,900	222,799	283,002		27.0%
Foster Children-Resident	301,126	139,470	174,513		25.1%
TX Tomorrow Waiver	277	278	-		100.0%
Peace Officer Exemption	16,211	6,006	8,432		40.4%
Adopted Student Waiver	357,878	180,510	185,535		2.8%
FAST Book & OD Fees	199,262	1,554	-		-100.0%
<b>Total Other Exemptions</b>	<b>2,947,494</b>	<b>1,265,221</b>	<b>1,406,892</b>		<b>11.2%</b>
<b>Grand Total Exemptions &amp; Waivers</b>	<b>\$ 22,169,719</b>	<b>\$ 10,983,280</b>	<b>\$ 15,426,712</b>		<b>40.5%</b>

\*Amount net of exemptions & waivers.

# REPORT ITEM

**Meeting Date:** January 14, 2026

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

ITEM #	ITEM TITLE	PRESENTER
D.	Budget Workshop #2: Overview of FY2027 Operating Budget	Dr. Margaret Ford Fisher Robert McCracken Dawn Stephens

## DISCUSSION

Review of preliminary Operating, Auxiliary, Restricted, and Capital & Technology Budgets for FY 2026-27.

## COMPELLING REASON AND BACKGROUND

- This workshop is designed to present the budget timeline to the Board of Trustees, provide a preliminary review of the proposed operating and non-operating budgets for the new fiscal year, and gather feedback from the Board to enable approval of the final budget.
- The adoption of the 2026-27 fiscal year budget will tentatively occur in June 2026.

## FISCAL IMPACT

The final budget of the college for fiscal year 2026-27 will provide the funding for college operations.

## STRATEGIC ALIGNMENT

1. Student Success, 5. College of Choice

## ATTACHMENTS:

Description	Upload Date	Type
Budget Workshop#2: Preliminary Budget Review Presentation	1/7/2026	Presentation

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



# Budget Workshop #2

## FY27 Budget Development

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Dr. Margaret Ford Fisher, Chancellor

Robert McCracken, VC Administration & Operations

Dawn Stephens, Interim AVC, Finance & Accounting

January 14, 2026

# Agenda

- FY27 Budget Development Timeline
- FY27 Operating Preliminary Budget Impacts
- FY27 Operating Preliminary Budget
- FY27 Non-Operating Preliminary Budgets

# Budget Development Timeline for BOT Review, Discussion and Approval



# Guiding Principles



## Alignment with Strategic Priorities

Ensure all budget decisions support the institution's strategic goals.



## Institutional Annual Priorities

Allocate resources to initiatives that advance yearly objectives and performance targets.



## Mitigation of Significant Risks

Incorporate risk management strategies to safeguard financial stability and operational continuity.



## Maintain Competitive Tax Rate

Tax rate should remain among the lowest of large urban peers to limit the burden on taxpayers.



## Maintain Affordable Tuition and Fees

Tuition and fees should remain among the lowest of large urban peers to ensure accessibility for students.



## Contingency Planning

The administration will implement contingency plans during the budget year when necessary to respond to changing conditions.

# HCC's Strategic Priorities

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

- **Student Success** - Achieve student success through equity, access and affordability.
- **Personalized Learning** - Deliver relevant, responsive and personalized learning experience.
- **Academic Rigor and Quality** - Demonstrate institutional commitment to academic rigor and quality.
- **Community Investment** - Lessen the student burden and increase the return on the community investment.
- **College of Choice** - Become the college of choice in our region for the student, community, business and higher educational institutions.

# Institutional Annual Priorities

- Increase Student Persistence from 59% to 61%
- Help More Students Matriculate Through Their Developmental Sequence by 5%
- Grow Enrollments in Credentials of Value by 5%
- Increase the Number of Students Who Are Persisting to a Baccalaureate Degree and Grow Enrollment by 10%
- 50% of students entering Houston Reconnect earn an award within 1 Year
- Create LVN to ADN Pathway
- Update HCC's technology infrastructure by installing software and hardware updates, and develop a Technology Master Plan
- Update HCC Facilities Master Plan and continue to execute the Deferred Maintenance Plan
- Develop a strategy and timeline to address all statutory provisions of and compliance with SB37, including adherence to applicable dates

# External Influences on Budget

- Potential enrollment impacts
  - Economic and employment changes. Typically, community colleges tend to see an uptick in enrollment in a recession, however basic needs may impact some student's decisions to enroll
  - International student enrollment. Up now, but may not hold
  - FASFA Changes
    - Department of Education impacts
  - Decrease in HISD students and the impact on Dual Credit enrollments
  - State Performance-based funding changes
    - Examples: Biology and Transfer students
- Ad Valorem Tax - Tax base and collection rates
- Other Local Income - Interest rates changes

# FY27 Budget Impacts

# State Appropriations

## Performance Tier:

- The latest THECB funding report as of 10/14/2025 shows a \$1.6M increase in funding compared to the budget approved in June
- FY27 Estimated conservatively due to State performance-based funding changes (Example: Biology and Transfer students)
- FY27 Appropriations, estimated flat relative to FY26 EOY projections

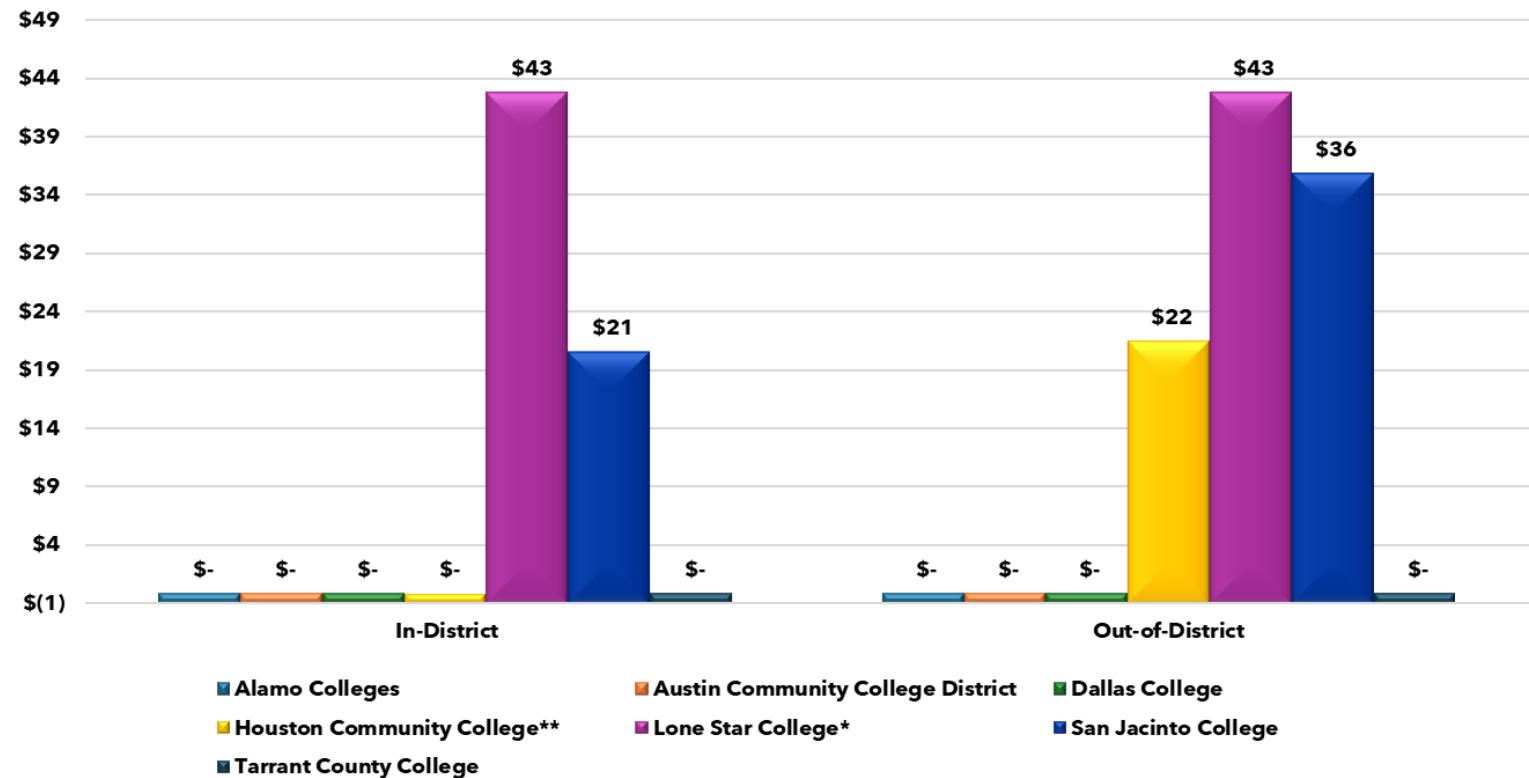
Category	FY26		FY27		\$Chg	%Chg
	Approved Budget	Approved State Funding*	Preliminary State Funding			
15 SCH Dual Credit	\$ 10,764	\$ 9,919	\$ 9,919	\$ -	0.0%	0.0%
GAI Transfer with 15 SCH	18,554	18,875	18,875	-	0.0%	0.0%
GAI Co-enrollment with 15 SCH	246	246	246	-	0.0%	0.0%
Institutional Credential leading to Licensure	186	237	237	-	0.0%	0.0%
Institutional Credential leading to Licensure: High-Demand Field	1,120	997	997	-	0.0%	0.0%
Occupational Skills Award	94	43	43	-	0.0%	0.0%
Occupational Skills Award: High-Demand Field	1,888	1,725	1,725	-	0.0%	0.0%
Certificate I or II	3,422	1,733	1,733	-	0.0%	0.0%
Certificate I or II: High-Demand Field	5,623	7,615	7,615	-	0.0%	0.0%
Advanced Technical Certificate	11	10	10	-	0.0%	0.0%
Advanced Technical Certificate: High-Demand Field	39	66	66	-	0.0%	0.0%
Associate Degree	18,620	20,036	20,036	-	0.0%	0.0%
Associate Degree: High-Demand Field	5,738	6,350	6,350	-	0.0%	0.0%
Bachelor's Degree	-	-	-	-	0.0%	0.0%
Bachelor's Degree: High-Demand Field	-	-	-	-	0.0%	0.0%
CoV Premium: Certificate	41	46	46	-	0.0%	0.0%
CoV Premium: Associate	253	304	304	-	0.0%	0.0%
CoV Premium: Bachelor's	-	-	-	-	0.0%	0.0%
<b>Total Performance Funding</b>	<b>\$ 66,599</b>	<b>\$ 68,203</b>	<b>\$ 68,203</b>	<b>\$ -</b>	<b>0.0%</b>	
Special Funding: Regional Resiliency Occupational Center (RROC)	1,188	1,188	1,188	-	0.0%	0.0%
FAST Dual Credit <sup>1</sup>	5,151	5,151	5,151	-	0.0%	0.0%
<b>Total State Appropriations</b>	<b>\$ 72,938</b>	<b>\$ 74,542</b>	<b>\$ 74,542</b>	<b>\$ -</b>	<b>0.0%</b>	

<sup>1</sup>FAST Dual Credit is estimated

\*Source: CCF FY26 Funding Model Final\_10142025

# Texas Competitors Dual Credit

- All 7 colleges participate in the FAST Program
- HCC, Alamo, Austin, Dallas, and Tarrant do not charge In-District dual credit T&F
- Only Lone Star, San Jacinto and HCC charge Out-of-District dual credit T&F



Source: TACC FY2025 Local Revenues Data Request and college posted dual credit tuition and fees where available. Based on responses from 48 TACC member colleges.

\*\*This college's policies on providing waivers and grants differ for in-district and out-of-district students. If they cover full or partial tuition & fees either in-district or out-of-district students, that is indicated in the table.

# HCC Dual Credit Program Cost Analysis

## FY23 – FY25

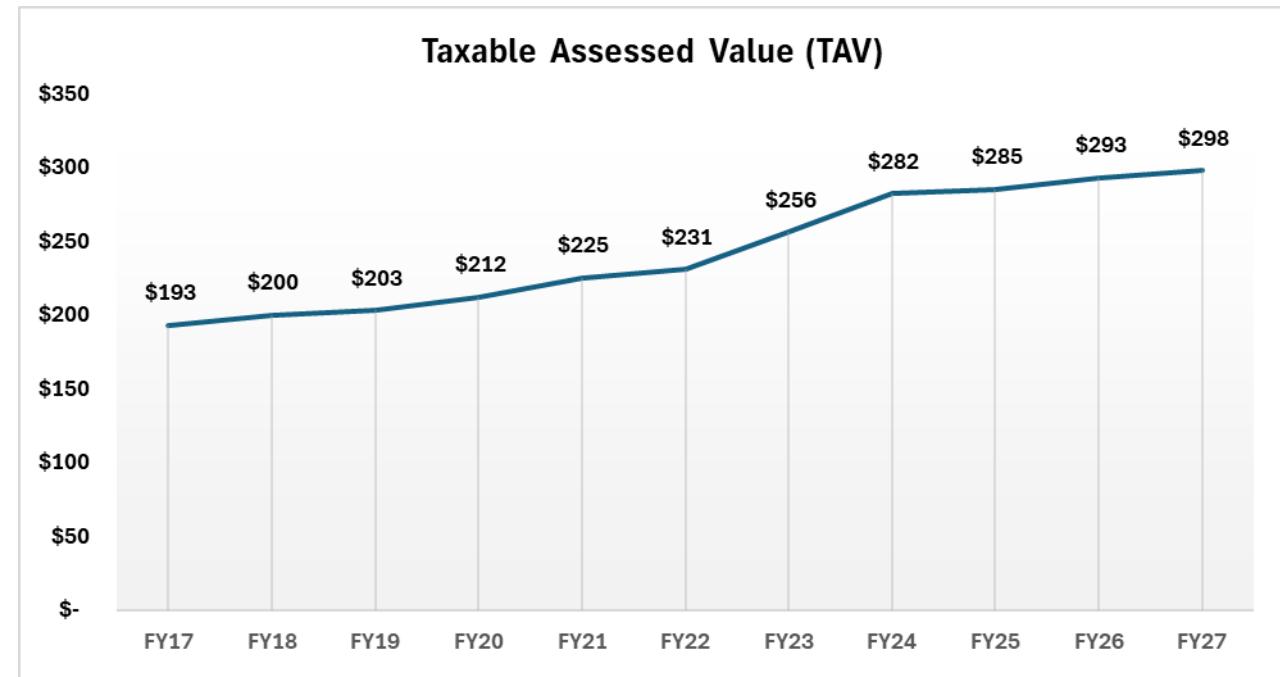
Year	FY 2023			FY 2024			FY 2025		
			Out-of-District/State	Total			Out-of-District/State	Total	
	In-District				In-District				
<b>Program Revenue:</b>									
Tuition & Fee Assessed/Revenue	\$ 7,887,933	\$ 8,037,701	\$ 15,925,634		\$ 8,711,248	\$ 8,750,434	\$ 17,461,681		\$ 9,327,209
Waivers	(7,887,933)	(7,248,026)	(15,135,959)		(8,711,248)	(7,856,185)	(16,567,432)		(9,327,209)
<b>Total Tuition &amp; Fees, Net</b>	<b>\$ -</b>	<b>\$ 789,675</b>	<b>\$ 789,675</b>		<b>\$ -</b>	<b>\$ 894,249</b>	<b>\$ 894,249</b>		<b>\$ -</b>
State Appropriations	4,976,346	2,451,036	7,427,383		2,295,085	1,130,415	\$ 3,425,500		6,537,860
FAST State Reimbursement	-	-	-		2,980,243	1,467,881	4,448,124		3,856,232
<b>Total Net Revenue</b>	<b>\$ 4,976,346</b>	<b>\$ 3,240,711</b>	<b>\$ 8,217,058</b>		<b>\$ 5,275,328</b>	<b>\$ 3,492,545</b>	<b>\$ 8,767,873</b>		<b>\$ 10,394,092</b>
<b>Less Program Costs:</b>									
Faculty Costs (FT and PT)	1,563,995	770,326	2,334,321		1,896,640	934,166	2,830,806		2,409,938
Direct Admin. Costs (Staff and Other Program Support)	748,497	368,663	1,117,160		822,232	404,980	1,227,212		1,069,675
FAST Book & OD Fee Exemption	-	-	-		157,374	77,513	234,887		133,506
<b>Total Program Costs</b>	<b>\$ 2,312,492</b>	<b>\$ 1,138,989</b>	<b>\$ 3,451,481</b>		<b>\$ 2,876,246</b>	<b>\$ 1,416,659</b>	<b>\$ 4,292,905</b>		<b>\$ 3,613,118</b>
<b>Program Contribution (Shortfall)</b>	<b>\$ 2,663,854</b>	<b>\$ 2,101,723</b>	<b>\$ 4,765,577</b>		<b>\$ 2,399,082</b>	<b>\$ 2,075,887</b>	<b>\$ 4,474,968</b>		<b>\$ 6,780,973</b>
Institutional Costs	4,816,258	2,372,187	7,188,444		5,331,390	2,625,909	7,957,298		5,588,587
<b>Program Contribution (Shortfall) less Institutional Costs</b>	<b>\$ (2,152,403)</b>	<b>\$ (270,464)</b>	<b>\$ (2,422,867)</b>		<b>\$ (2,932,308)</b>	<b>\$ (550,022)</b>	<b>\$ (3,482,330)</b>		<b>\$ 1,192,386</b>
<b>Program Contribution (Shortfall) less Institutional Costs</b>	<b>\$ (2,152,403)</b>	<b>\$ (270,464)</b>	<b>\$ (2,422,867)</b>		<b>\$ (2,932,308)</b>	<b>\$ (550,022)</b>	<b>\$ (3,482,330)</b>		<b>\$ 1,192,386</b>
<b>Program Contribution (Shortfall) less Institutional Costs</b>	<b>\$ (2,152,403)</b>	<b>\$ (270,464)</b>	<b>\$ (2,422,867)</b>		<b>\$ (2,932,308)</b>	<b>\$ (550,022)</b>	<b>\$ (3,482,330)</b>		<b>\$ 1,192,386</b>

\*Note: ¶342.16 Institutional Support. The institutional support category includes expenses for central, executive-level activities concerned with management and long-range planning for the entire institution, such as the governing board, planning and programming operations, and legal services; fiscal operations, including the investment office; administrative data processing; space management; employee personnel and records; logistical activities that provide procurement, storerooms, printing; transportation services to the institution; support services to faculty and staff that are not operated as auxiliary enterprises; and activities concerned with community and alumni relations, including development and fund raising.

# Ad Valorem Taxes

- Using a linear forecast based on total property valuations since FY17, we project a 2% increase in total property valuations.
- The Debt Service Tax rate will decline by 7.8% in FY27.
- To maintain a total tax rate of (\$0.098802), the M&O tax rate would be increased by 1.2%; resulting in an additional \$7.8M in the unrestricted operating budget.
- The FY27 preliminary budget estimate would result in a 5.9% increase in the Maintenance and Operations Tax Rate (a total tax rate of \$0.102806) and an additional \$19M in revenue
- FY26 Tax Rate is (\$0.098802) per \$100 dollars of valuation.

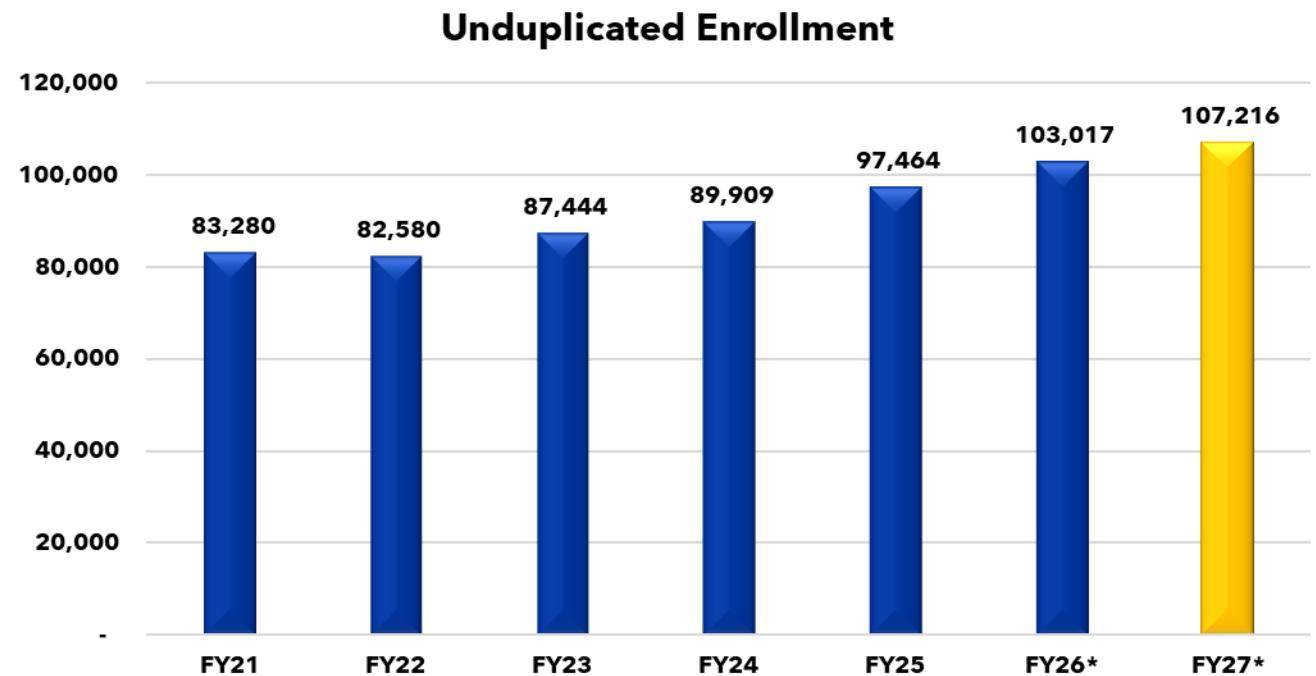
**Note:** If the M&O rate remains the same, it would result in an additional \$4.8M in the unrestricted operating budget.



# Tuition and Fees

## Tuition and Fees Calculation:

- Using linear forecasting based on Annual enrollment, we project a 4% increase compared to FY26 projections
- FY26 Projected EOY Tuition and Fees \$147,679,737
- $\$147,679,737 \times 1.04 = \$150,803,602$
- An increase of \$3,123,865



Source: FY21 – FY25 – AFR Table 15

\*FY26 & FY27 based on OIR conservative projections as of 11/17/2025

# Non-Operating Revenue (Investment)

Non-Operating Revenue Calculation:

- HCC's investment income is closely tied to the Federal Reserve's rate.
- As of December 9, 2025, the Federal Reserve's (Fed) target interest rate range is 3.75% to 4.00%.
- Short-term interest rates are expected to end 2025 close to 3.75%, which is down from the current range. Policymakers now anticipate one rate cut in 2025, totaling 25 basis points
- As of November 30, HCC's investment portfolio had return rate of 4.00%.
- A reduction of the federal rate to between 3.50% and 3.75%, would result in a reductions of interest income of approximately 6-10%

Source: <https://www.federalreserve.gov/economy-at-a-glance-policy-rate.htm#:~:text=Federal%20Funds%20Rate%20Target%20Range,Latest%20Data%20December%2019%2C%202024>

# Proposed Major Operating Expense

In Thousands

Description	Total
Technology Replacement Plan	\$ 2,630
Deferred Maintenance	15,000
<b>Total Major Operating</b>	<b>\$ 17,630</b>

# FY27 Preliminary Operating Budget

# FY27 Preliminary Operating Budget

## Revenue:

- State Appropriations
  - FY26 EOY adjusted based on latest THECB funding report as off October 2025, shows a \$1.6M increase in funding
  - FY27 is estimated flat relative to FY26 EOY projections
- Ad Valorem Taxes
  - Revenue not to exceed VAR, +8% compared to PY
  - With a 2% increase in property values the M&O tax rate would increase 5.9% (a total tax rate of \$0.102806)
- Tuition & Fees revenue
  - FY26 EOY adjusted compared to budget to account for actual revenue increase experienced due increased enrollment. Total project revenue is \$147.7M
  - FY27 enrollment increase, 4%, relative to EOY projections
- Other Local Income reduced in alignment with expected interest rate changes

## Expenses:

- Compensation Recommendation
  - Annual salary and associated benefits Increase, 3.5%
  - Increase in adjunct salary budget based on enrollment increases
- Other (Non-Payroll) includes 2% increase for operational cost
- Transfers include grants matches
- Debt service reduced per debt payment schedule
- IT/Network Infrastructure, \$5.2M (\$2.6M for IT Upgrade/Replacement Plan and \$2.6M for tool kits)
- Deferred Maintenance annual request, \$15M
- Known Commitments, \$10.2M and New Funding Requests, \$12.5M

## Fund Balance Usage:

- Fund Balance Usage, includes \$9.4M for Houston Reconnect and \$1M for Connect 2 Workforce

In Thousands

Revenues	FY26	FY27			
	Adjusted Budget	Preliminary Budget	\$Chg	%Chg	
State Appropriations	\$ 72,938	\$ 74,542	\$ 1,604	2.2%	
Ad Valorem Taxes	242,337	261,724	19,387	8.0%	
Tuition & Fees, Net	122,006	150,804	28,798	23.6%	
Other Local Income	20,057	17,288	(2,769)	-13.8%	
<b>Total Operating Revenue</b>	<b>\$ 457,338</b>	<b>\$ 504,358</b>	<b>\$ 47,020</b>	<b>10.3%</b>	
Fund Balance Use	17,569	10,444	(7,125)	-40.6%	
<b>Total Revenue Plus Fund Balance Use</b>	<b>\$ 474,907</b>	<b>\$ 514,802</b>	<b>\$ 39,895</b>	<b>8.4%</b>	

Expenses	FY26	FY27			
	Adjusted Budget	Preliminary Budget	\$Chg	%Chg	
Salaries	\$ 270,718	\$ 287,457	\$ 16,739	6.2%	
Allowance for Vacancies	(7,000)	(7,000)	-	0.0%	
Benefits	39,769	41,160	1,391	3.5%	
Other (Non-Payroll)	115,938	118,249	2,311	2.0%	
Transfers	4,593	6,010	1,417	30.9%	
Debt Service	16,790	14,469	(2,321)	-13.8%	
Scholarships	1,055	1,055	-	0.0%	
IT/Network Infrastructure	7,600	5,230	(2,370)	-31.2%	
Deferred Maintenance	15,000	15,000	-	0.0%	
Known Commitment	-	10,243	10,243	100.0%	
New Funding Request	-	12,485	12,485	100.0%	
<b>Total Operating Expenses</b>	<b>\$ 464,463</b>	<b>\$ 504,358</b>	<b>\$ 39,895</b>	<b>8.6%</b>	

Fund Balance Usage	FY26	FY27			
	Adjusted Budget	Preliminary Budget	\$Chg	%Chg	
Houston Reconnect	\$ 9,444	\$ 9,444	-	0.0%	
Connect 2 Workforce	1,000	1,000	-	0.0%	
<b>Total Fund Balance Usage</b>	<b>\$ 10,444</b>	<b>\$ 10,444</b>	<b>\$ -</b>	<b>0.0%</b>	
<b>Total Operating plus Fund Balance Usage</b>	<b>\$ 474,907</b>	<b>\$ 514,802</b>	<b>\$ 39,895</b>	<b>8.4%</b>	
<b>Net Revenue/(Expense)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.0%</b>	

# FY27 Preliminary Non-Operating Budgets

# FY27 Preliminary Auxiliary Budget

## Revenue:

- Fees include Student Activity and Athletic Fees estimated based on 4% enrollment increase
- Leases & Rentals show a net decrease due to changes in rates and square footage for various leases

## Expenses:

- Salaries and associated benefits include a 3.5% annual increase for full-time staff
- Non-Payroll expenses show a decrease due to changes in operating expenses
- Fund Balance Use is currently an estimate pending internal approval of requested items for student athletics and student activities

Description	FY26	FY27	\$Chg	%Chg
	Approved Budget	Preliminary Budget		
<b>Revenue</b>				
<b>Fees</b>	\$ 1,703	\$ 1,962	\$ 259	15%
<b>Leases &amp; Rentals</b>	\$ 5,391	\$ 5,014	\$ (377)	-7%
<b>Bookstore Commission</b>	\$ 1,300	\$ 1,300	-	0%
<b>Other Local Income</b>	\$ 218	\$ 218	-	0%
<b>Fund Balance Use</b>	\$ 1,214	\$ 1,214	-	0%
<b>Total Auxiliary Revenues</b>	\$ 9,826	\$ 9,708	\$ (118)	-1%
<b>Expenses</b>				
<b>Salaries</b>	\$ 1,345	\$ 1,392	\$ 47	3%
<b>Employee Benefits</b>	\$ 213	\$ 195	\$ (18)	-8%
<b>Non-Payroll</b>	\$ 6,458	\$ 5,436	\$ (1,022)	-16%
<b>Scholarship Distribution</b>	\$ 1,810	\$ 1,810	-	0%
<b>New Funding Request</b>	-	\$ 875	\$ 875	100%
<b>Total Auxiliary Expenditures</b>	\$ 9,826	\$ 9,708	\$ (118)	-1%
<b>Net Revenue/(Expenses)</b>	\$ -	\$ -	\$ -	-

# FY27 Preliminary Restricted Budget

## Revenue:

- Federal grants decrease in federal funding due \$7K net reduction in new grants replacing expiring grants
- State grants increase in Apprenticeship grant
- City/Other grants Increase in funding due to new private grants received from HCC Foundation
- Student Financial Aid change due to \$22M increase in Pell grants due to increased enrollment
- State Funded Benefits \$4M increase based on prior year actual

## Expenses:

- Student Services expense decrease due the end of the Education Opportunity Center and College Readiness and Success Model grants
- Instruction/Workforce Development expense increase due to availability of Foundation funding
- Student Aid expenses increase due to increases in Pell, SEOG, FCWP & private scholarships
- Community Service expense decrease due to end of HCC Resiliency Initiative Program grant, City of Stafford contract, USDA Lawncare & MBDA grants
- Staff Benefit expenses increase based on prior year actuals

In Thousands

Restricted Budget	FY26	FY27	\$Chg	%Chg
	Adjusted Budget	Preliminary Budget		
<b>Revenue:</b>				
<b>Federal</b>	\$ 9,341	\$ 8,614	\$ (727)	-8%
<b>State</b>	541	571	30	6%
<b>City/Other</b>	2,432	2,660	228	9%
<b>Student Financial Aid</b>	116,668	138,955	22,287	19%
<b>Total Grant Revenues</b>	\$ 128,982	\$ 150,800	\$ 21,818	17%
<b>State Funded Staff Benefits:</b>				
<b>Group Insurance State Contribution</b>	\$ 18,000	\$ 22,000	4,000	22%
<b>State Retirement</b>	4,500	4,500	-	0%
<b>Total State Funded Benefits</b>	\$ 22,500	\$ 26,500	\$ 4,000	18%
<b>Total Available Funding</b>	\$ 151,482	\$ 177,300	\$ 25,818	17%
<b>Expenses:</b>				
<b>Student Services</b>	\$ 1,653	\$ 1,290	\$ (363)	-22%
<b>Instruction/Workforce Development</b>	5,107	5,351	244	5%
<b>Student Aid</b>	116,668	138,955	22,287	19%
<b>Community Service</b>	5,554	5,204	(350)	-6%
<b>Staff Benefits</b>	22,500	26,500	4,000	18%
<b>Total Restricted Expenditures</b>	\$ 151,482	\$ 177,300	\$ 25,818	17%
<b>Net Revenue/(Expenses)</b>	\$ -	\$ -	\$ -	-

# FY27 Preliminary Capital & Technology Plan Budget

In Thousands

DESCRIPTION	Fund	FY26		FY27		\$Chg	%Chg
		Approved	Preliminary	Budget	Budget		
Upgrade/Replacement of IT Equipment	7180	\$ 3,479	\$ 4,047	\$ 568	16%		
IT Upgrade/Replacement Plan Transfer from 1110	7180	7,600	5,230	(2,370)	-31%		
<b>Total IT/Network Infrastructure Replacement Plan</b>		<b>\$ 11,079</b>	<b>\$ 9,277</b>	<b>(1,802)</b>	<b>-16%</b>		
Upgrade/Replacement of Security Technology	7181	392	456	64	16%		
Upgrade/Replacement of Instructional Equipment	7182	1,029	1,197	168	16%		
<b>Total Capital and Technology Plan plus Transfer</b>		<b>\$ 12,500</b>	<b>\$ 10,930</b>	<b>\$ (1,570)</b>	<b>-13%</b>		

- HCC IT Master Plan request a total of \$9.2M for FY27 (See next slide)
- Includes \$2.6M for IT Upgrade/Replacement Plan and \$2.6M for tool kits from 1110 (Operating)
- We considered a 4% increase in Tech Fees (enrollment)

# FY27 IT/Technology Replacement Plan Request

In Thousands

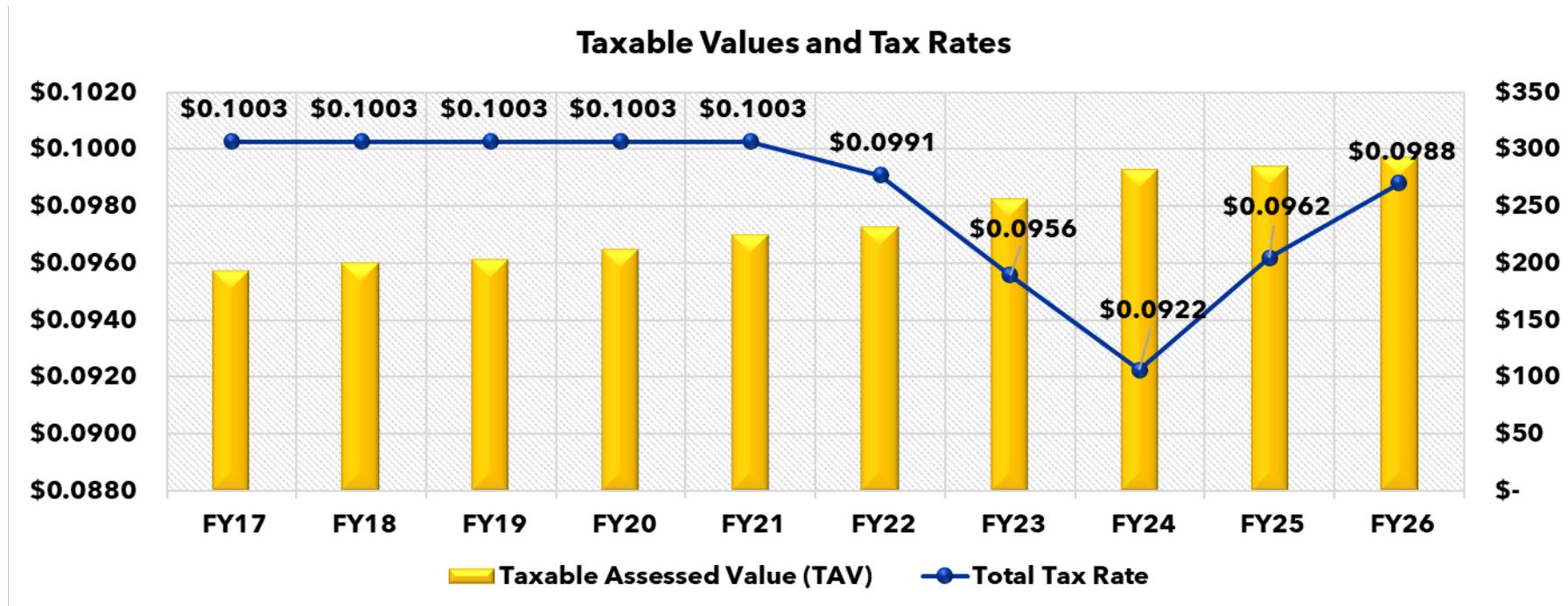
Description	Total
<b>IT/Network Infrastructure Replacement Plan</b>	
REQ #403-ICB1-Technology Replacement Plan-Student Loaner Laptops	\$ 125
REQ #403-ICB1-Technology Replacement Plan-Classroom Technology (A/V)	515
REQ #403-ICB1-Technology Replacement Plan-Computer Replacement (5 year life)	5,701
REQ #403-ICB1-Technology Replacement Plan-Telecom (Telephones/Infrastructure)	374
REQ #403-ICB1-Technology Replacement Plan-UPS Battery Replacement (5 year max life)	150
REQ #403-ICB1-Technology Replacement Plan- Routers, Switches, Wireless Access Points, Firewalls, Security Appliances	350
REQ #403-ICB1-Technology Replacement Plan-Network Equipment	2,062
<b>Total IT/Network Infrastructure Replacement Plan</b>	<b>\$ 9,277</b>

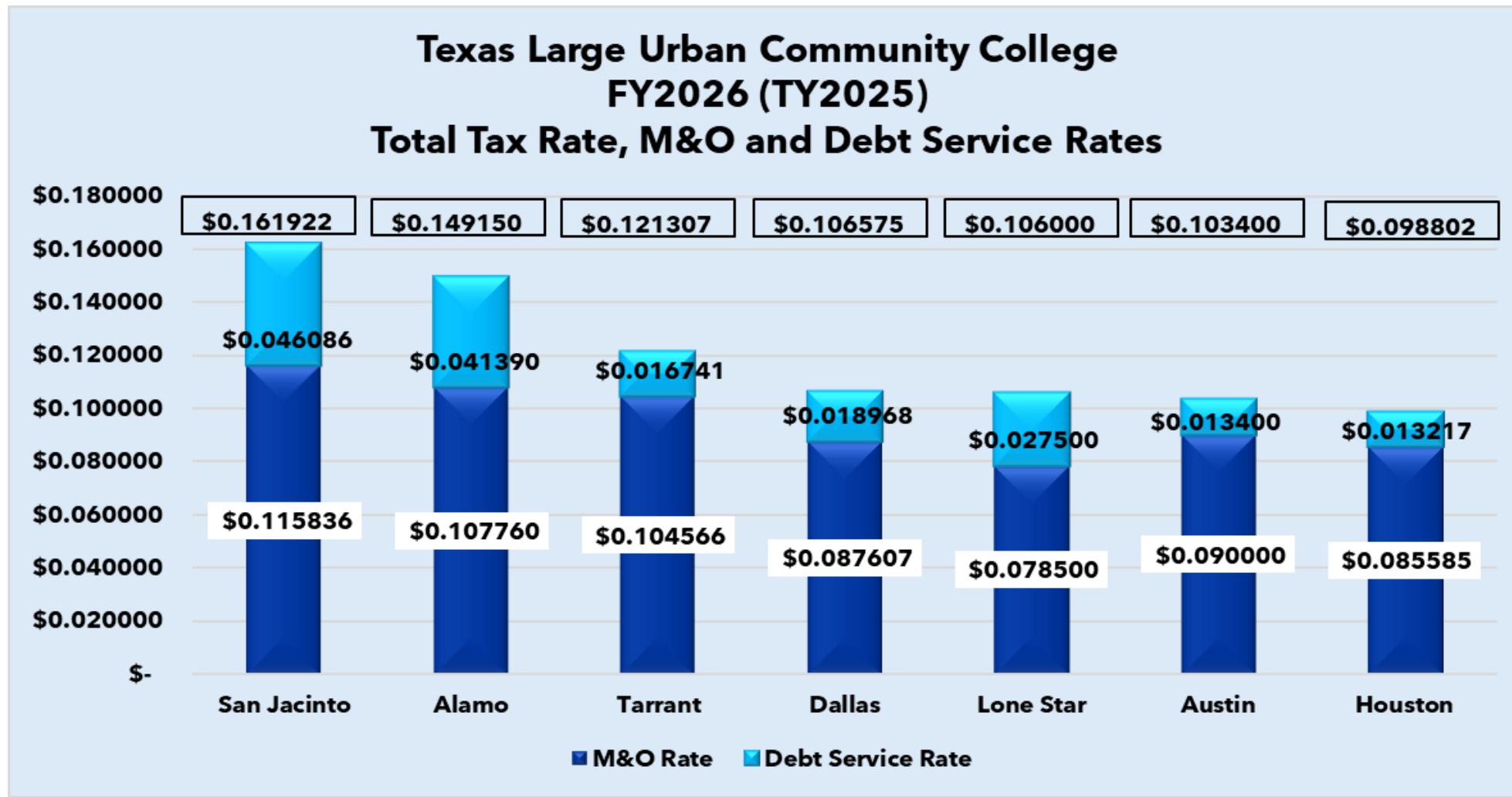
# Thank You

# Appendix

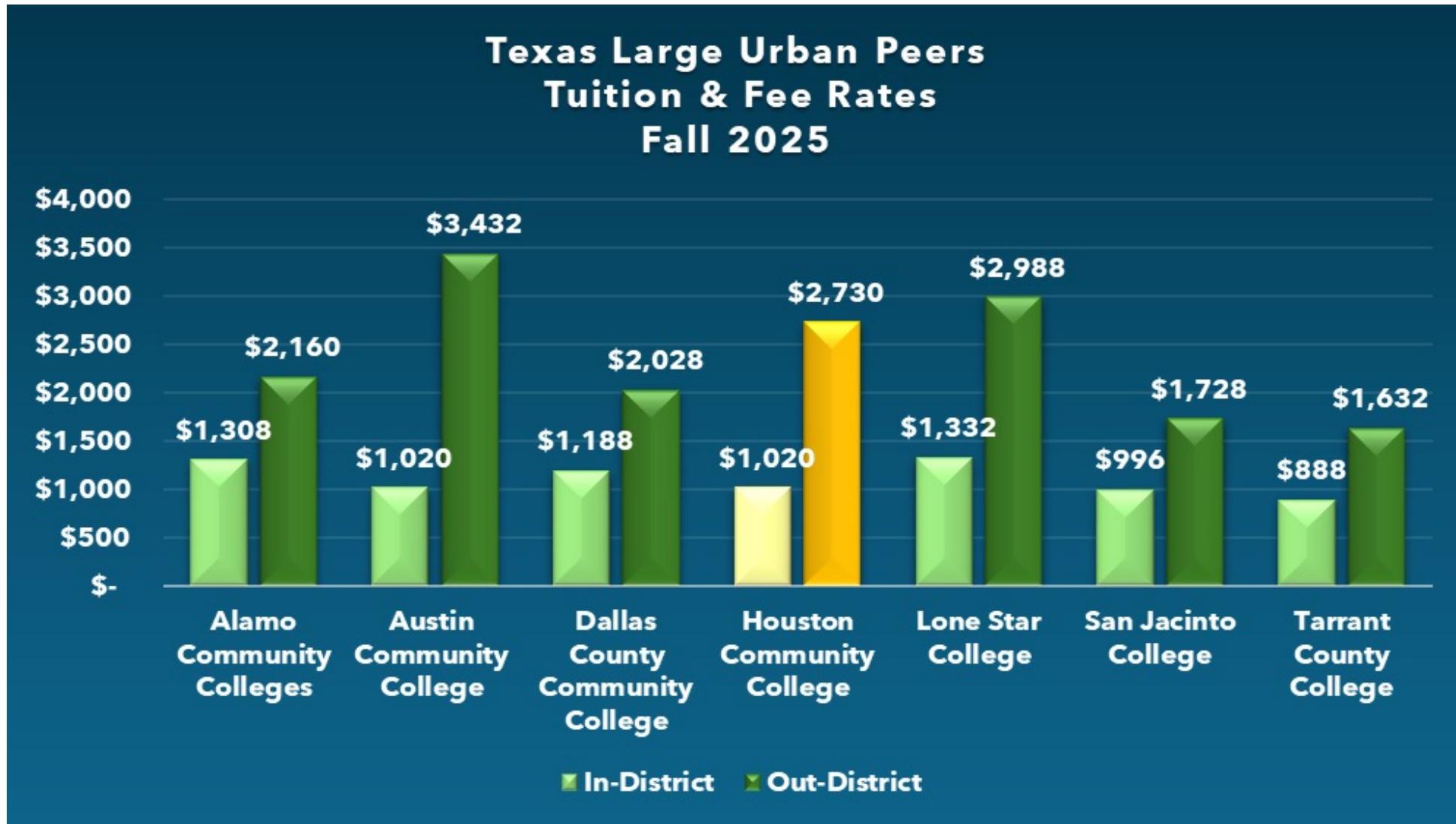
# Taxable Values vs HCC Tax Rate

Year-over-year increases in property valuations have allowed HCC to minimize any changes to the tax rate. From FY17 through FY26 the adopted tax rate has decreased 1%.



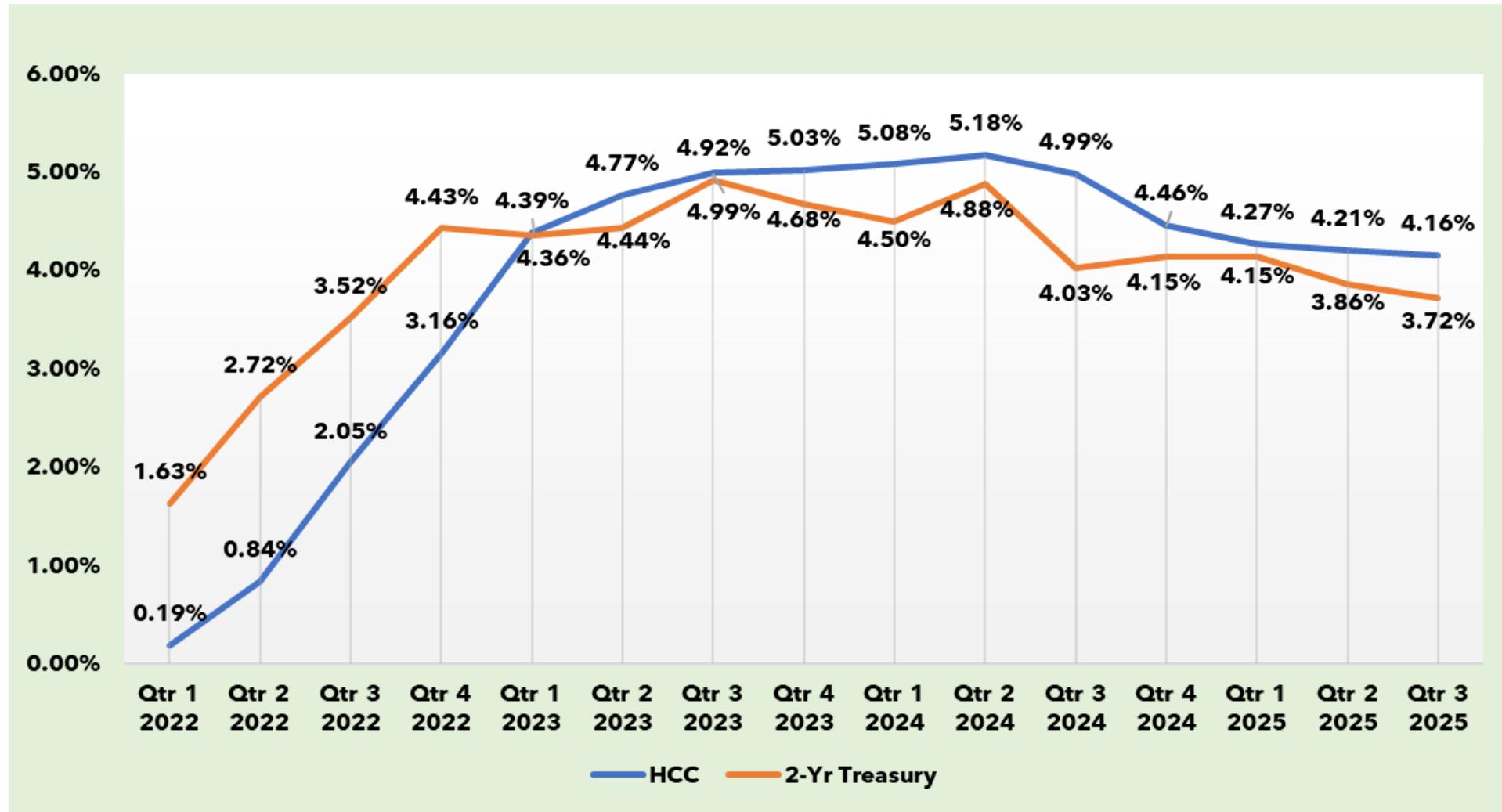


Source: Respective Colleges website



Source: Respective Colleges website

# Federal Rates vs HCCS Rate of Return 2022-25



# Current and Historical Scholarships Available To Students

In Thousands

Scholarship	FY22 Original Budget	FY23 Original Budget	FY24 Original Budget	FY25 Original Budget	FY26 Adjusted Budget	Requirements	
<b>Honors Scholarship</b> (Award amounts as needed)	<b>\$ 260</b>	<b>\$ 260</b>	<b>\$ 260</b>	<b>\$ 560</b>	<b>\$ 560</b>	<b>Target Group</b> - Honors College students with unmet need. Provides consistent, dedicated funding stream for Honors College students.	
<b>Chancellor's Scholarship</b> (Award \$300 per semester)	<b>150</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>Target Group</b> - Students with more than 30 SCH at HCC, with a cumulative 4.0 GPA. Encourages high performing students to stay at HCC, continue to perform well and complete.	
<b>Impact Scholarship<sup>1</sup></b> (Award \$1,000 per semester)	<b>650</b>	<b>650</b>	<b>650</b>	<b>650</b>	<b>1,340</b>	<b>Target Group</b> - Students within defined household incomes and expected family contributions, who receive limited or no Pell, and GPA > 2.9 (new students have no initial GPA requirement). This group typically relies on loans and/or progresses very slowly through coursework due to financial constraints. Encourages low income students without access to the majority of Pell to persist, take more hours, and avoid debt.	<b>Fund 3 - Auxiliary</b>
<b>Reserve Scholarships</b> (Award amounts as needed)	<b>50</b>	<b>740</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>Target Group</b> - Students who do not fall within the other categories. Allows an award to be provided to students who demonstrate need based on special circumstances.	
<b>Swoop to the Rescue</b> (Award amounts as needed)	<b>100</b>	<b>100</b>	<b>100</b>	<b>50</b>	<b>50</b>	<b>Target Group</b> - Provide students with funding for unexpected emergencies. Allows an award to be provided to students who demonstrate need. New funding provided to students to support educational success and help meet basic living needs such as rent, transportation, childcare, food, books and supplies, and other educational related expenses.	
<b>Subtotal</b>	<b>\$ 1,210</b>	<b>\$ 1,900</b>	<b>\$ 1,210</b>	<b>\$ 1,460</b>	<b>\$ 2,150</b>		

<sup>1</sup>FY26 Impact Scholarship is partly funded in Fund 1 - Operations (\$690k) and F3 (\$650k) - Auxiliary.

# Current and Historical Scholarships Available To Students...continue

In Thousands

Scholarship	FY22 Original Budget	FY23 Original Budget	FY24 Original Budget	FY25 Original Budget	FY26 Adjusted Budget	
<b>Eagle Promise</b> (Award amounts as needed)	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b> <b>Target Group</b> - This is a new program designed to target in-district graduates of area high schools who commit to completing an Associate degree plan within 3 years at HCC. HCC will commit institutional resources to pay for tuition, fees and books after federal and state aid has been applied. To assure student success, the program shall provide student access to financial coaching, academic counseling and mentoring assistance from the admission's application to completion of degree.
<b>Student/Parent Emergency Award</b> (Award amounts as needed)	-	-	-	50	50	<b>Target Group</b> - Provide students with funding for unexpected emergencies. Allows an award to be provided for unexpected emergencies to students who are parenting children under the age of 18; promote educational success and help meet basic living needs such as rent, transportation, childcare, food, books and supplies and other educational related expenses.
<b>Houston Reconnect</b> (Award amounts as needed)	-	-	-	-	9,441	<b>Target Group</b> - Students that have stopped out within the last 5 years, are 25 or older, and have completed at least 30 SCH
<b>Connect 2 Workforce</b> (Award amounts as needed)	-	-	-	-	1,000	<b>Target Group</b> -Students must be enrolled in one of the five Connect 2 High Demand Workforce Programs, enrolled in 6 SCH or CEU; and must apply for FAFSA and meet the income eligibility
<b>Nursing Scholarship</b> (Award amounts as needed)	-	-	-	180	365	<b>Target Group</b> - Associate Degree Nursing students
<b>Scholarship Fund</b> (Award amounts as needed)	<b>690</b>	-	<b>690</b>	<b>690</b>	-	<b>Target Group</b> - Effective FY21 \$690K of scholarship funds were reduced and funded to Fund 1110 for the Honors, Chancellor, Impact and Reserve scholarships. These funds should be used to support the mentioned scholarships.
<b>Total</b>	<b>\$ 990</b>	<b>\$ 300</b>	<b>\$ 990</b>	<b>\$ 1,220</b>	<b>\$ 11,156</b>	
<b>Total Scholarships</b>	<b>\$ 2,200</b>	<b>\$ 2,200</b>	<b>\$ 2,200</b>	<b>\$ 2,680</b>	<b>\$ 13,306</b>	

Fund 3 Auxiliary

Fund 1 - Operations

# ACTION ITEM

Meeting Date: January 14, 2026

Topics For Discussion and/or Action:

ITEM #	ITEM TITLE	PRESENTER
E.	Approval of FY2027 Budget Guiding Principles	Dr. Margaret Ford Fisher Robert McCracken Dawn Stephens

## RECOMMENDATION

Approve the FY2027 Guiding Principles for the budget development process as described on the attached document.

## COMPELLING REASON AND BACKGROUND

- The proposed budget guiding principles support strategic alignment, financial accountability, and operational efficiency across the organization.
- The principles provide a clear framework for resource allocation that supports our mission and long-term objectives.
- These principles help streamline the budgeting process and enable informed decision-making at all levels.

## FISCAL IMPACT

None.

## LEGAL REQUIREMENT

None.

## STRATEGIC ALIGNMENT

1. Student Success, 5. College of Choice

## ATTACHMENTS:

Description	Upload Date	Type
FY2027 Budget Guiding Principles	12/17/2025	Attachment

This item is applicable to the following: District

# FY2027 Budget Guiding Principles



## Alignment with Strategic Priorities

Ensure all budget decisions support the institution's strategic goals.



## Institutional Annual Priorities

Allocate resources to initiatives that advance yearly objectives and performance targets.



## Mitigation of Significant Risks

Incorporate risk management strategies to safeguard financial stability and operational continuity.



## Maintain Competitive Tax Rate

Tax rate should remain among the lowest of large urban peers to limit the burden on taxpayers.



## Maintain Affordable Tuition and Fees

Tuition and fees should remain among the lowest of large urban peers to ensure accessibility for students.



## Contingency Planning

The administration will implement contingency plans during the budget year when necessary to respond to changing conditions.