



AGENDA

COMMITTEE OF THE WHOLE OF THE BOARD OF TRUSTEES

**April 1, 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

April 1, 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, April 1, 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. Monthly Investment Reports, Financial Statements and Budget Reviews for January and February 2026
- B. Budget Workshop #3: Overview of FY2027 Operating Budget

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.

- 1. Discuss Process and Timeline for Chancellor Evaluation and Board Self-Assessment

C. Real Estate Matters

Deliberate the purchase, exchange, lease, or value of real property for Agenda

items if deliberation in an open meeting would have a detrimental effect on the position of the System in negotiations with a third person.

IV. Additional Closed or Executive Session Authority:

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

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

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

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

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

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

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

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

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

meeting, or

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

V. Reconvene in Open Meeting

VI. Adjournment

CERTIFICATE OF POSTING OR GIVING NOTICE

On this **26th day of March**, 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

ACTION ITEM

Meeting Date: April 1, 2026

Topics For Discussion and/or Action:

| ITEM # | ITEM TITLE | PRESENTER |
|--------|---|--|
| A. | Monthly Investment Reports, Financial Statements and Budget Reviews for January and February 2026 | Dr. Margaret Ford Fisher Robert McCracken |

RECOMMENDATION

Accept the Investment Reports, Financial Statements and Budget Reviews for the month of January and February 2026.

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 59% 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 January, the interest income earned for the month and fiscal year to date totaled \$1,276,430 and \$8,940,563, respectively. The weighted average interest rate (WAR) on January 31, 2026, was 3.78% compared to 3.88% last month and 4.30% a year ago. For February, the interest income earned for the month and fiscal year to date totaled \$2,249,362 and \$11,189,925, respectively. The weighted average interest rate (WAR) on February 28, 2026, was 3.74% compared to 3.78% last month and 4.27% a year ago.

Interest expense on outstanding debt was \$1,330,266 for the month of January 2026 and \$1,201,531 for the month of February 2026.

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 | Upload Date | Type |
|-------------------------------------|-------------|--------------|
| Financial Report Presentation | 3/20/2026 | Presentation |
| Investment Report - January 2026 | 3/20/2026 | Attachment |
| Financial Statement - January 2026 | 3/24/2026 | Attachment |
| Investment Report - February 2026 | 3/20/2026 | Attachment |
| Financial Statement - February 2026 | 3/20/2026 | Attachment |

This item is applicable to the following: District



FY 2026

Summary of February 2026

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

April 1, 2026

Fund 1: Unrestricted Revenues

| | Budget Comparison | | | Previous Fiscal Year Comparison | | | |
|---|-------------------------|---|--------------------------|---|---|---|-----------------------|
| | FY 2026 Adjusted Budget | Year-to-Date Actuals Thru February 28, 2026 | Actuals as a % of Budget | Year-to-Date Actuals Thru February 28, 2026 | Year-to-Date Actuals Thru February 28, 2025 | Increase (Decrease) FY 2026 Compared to FY 2025 | % Increase (Decrease) |
| REVENUES | | | | | | | |
| State Appropriations | \$ 72,938,399 | \$ 55,681,129 | 76.3% A | \$ 55,681,129 | \$ 53,569,216 | \$ 2,111,913 | 3.9% |
| Ad Valorem Taxes | 242,337,151 | 226,882,284 | 93.6% B | 226,882,284 | 214,926,890 | 11,955,394 | 5.6% |
| Tuition & Fees, Net | 114,395,960 | 116,166,329 | 101.5% C | 116,166,329 | 108,425,251 | 7,741,078 | 7.1% |
| Other Local Income | 19,406,390 | 11,804,253 | 60.8% D | 11,804,253 | 7,437,634 | 4,366,619 | 58.7% |
| Tuition & Fees, Net -- Extended Learning | 7,609,984 | 6,250,672 | 82.1% E | 6,250,672 | 5,590,195 | 660,477 | 11.8% |
| Grant Revenue - Indirect Cost | 650,000 | 391,451 | 60.2% F | 391,451 | 405,341 | (13,890) | -3.4% |
| Total Revenues | 457,337,884 | 417,176,118 | 91.2% | 417,176,118 | 390,354,527 | 26,821,591 | 6.9% |
| 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 | \$ 434,745,494 | 91.5% | \$ 434,745,494 | \$ 397,400,509 | \$ 37,344,986 | 9.4% |

Fund 1: Unrestricted Expenses

| | Budget Comparison | | | Previous Fiscal Year Comparison | | | |
|---------------------------------|-------------------------|---|--------------------------|---|---|---|-----------------------|
| | FY 2026 Adjusted Budget | Year-to-Date Actuals Thru February 28, 2026 | Actuals as a % of Budget | Year-to-Date Actuals Thru February 28, 2026 | Year-to-Date Actuals Thru February 28, 2025 | Increase (Decrease) FY 2026 Compared to FY 2025 | % Increase (Decrease) |
| EXPENSES | | | | | | | |
| Salaries | 262,284,857 | 131,709,981 | 50.2% | 131,709,981 | 125,231,444 | 6,478,537 | 5.2% |
| Employee Benefits | 39,768,492 | 16,663,448 | 41.9% | 16,663,448 | 15,316,592 | 1,346,857 | 8.8% |
| Supplies & General Expense | 6,446,261 | 2,386,703 | 37.0% G | 2,386,703 | 2,514,059 | (127,356) | -5.1% |
| Travel | 1,386,375 | 251,357 | 18.1% H | 251,357 | 283,612 | (32,256) | -11.4% |
| Marketing Costs | 3,733,538 | 1,280,640 | 34.3% I | 1,280,640 | 1,389,365 | (108,725) | -7.8% |
| Rentals & Leases | 467,359 | 75,897 | 16.2% J | 75,897 | 237,926 | (162,029) | -68.1% |
| Insurance/Risk Mgmt. | 10,618,231 | 7,470,476 | 70.4% K | 7,470,476 | 4,076,411 | 3,394,065 | 83.3% |
| Contracted Services | 40,209,315 | 15,982,107 | 39.7% | 15,982,107 | 14,871,862 | 1,110,245 | 7.5% |
| Utilities | 11,659,309 | 4,876,780 | 41.8% | 4,876,780 | 4,428,701 | 448,079 | 10.1% |
| Other Departmental Expenses | 6,027,505 | 2,183,730 | 36.2% | 2,183,730 | 1,138,791 | 1,044,939 | 91.8% |
| Instructional & Other Materials | 10,727,081 | 4,194,747 | 39.1% L | 4,194,747 | 4,887,401 | (692,655) | -14.2% |
| Maintenance & Repair | 2,763,476 | 742,079 | 26.9% M | 742,079 | 1,356,056 | (613,977) | -45.3% |
| Transfers\Debt | 43,562,510 | 28,086,247 | 64.5% N | 28,086,247 | 22,056,818 | 6,029,429 | 27.3% |
| Contingency/Initiatives | 6,692,649 | - | 0.0% | - | - | - | 0.0% |
| Capital Outlay | 17,061,889 | 6,761,142 | 39.6% | 6,761,142 | 9,823,910 | (3,062,768) | -31.2% |
| Scholarship Distribution | 11,498,412 | 3,474,223 | 30.2% O | 3,474,223 | - | 3,474,223 | 100.0% |
| Total Expenses | \$ 474,907,260 | \$ 226,139,555 | 47.6% | \$ 226,139,555 | \$ 207,612,948 | \$ 18,526,607 | 8.9% |
| NET REVENUE/(EXPENSES) | - | \$ 208,605,939 | | \$ 208,605,939 | \$ 189,787,561 | \$ 18,818,378 | |

Explanation of Variance Amounts

| Variance Code | Notes |
|---------------|--|
| A | State appropriations are higher due to increases in HCC's performance tier allotment and is expected to be over budget by year-end. |
| B | Ad Valorem Taxes are higher as expected, due to increases in property valuations. |
| C | Tuition and Fees collections have increased due an increase in enrollment. |
| D | Other Local Income Includes Investment income and Unrealized Gains and Losses and reflects the volatility of the financial market. Other Local Income is expected to be within budget by year-end. |
| E | Tuition and Fees, Extended Learning collections fluctuate as course offerings fluctuate. |
| F | Grant Revenue - It is contingent on activity for the year. |
| G | Supplies and General expenses are incurred as needed throughout the year, leading to periodic spending fluctuations. |
| H | Travel expenses varies due to timing differences in recording transactions from year-to-year. |
| I | Marketing expenses varies due to timing differences in recording transactions from year-to-year. |
| J | Rental expenses occur based on events during the year and vary from year-to-year. |
| K | Insurance Premiums are paid at irregular intervals, leading to inconsistent monthly costs. |
| L | Instructional & Other Material expenses occur at irregular intervals, causing inconsistent monthly costs. |
| M | Maintenance & Repairs occur as needed and vary from month to month. |
| N | Transfers/Debt occur at irregular intervals, debt payments occur twice per year. Transfer/Debt will be within budget by year-end. |
| O | Scholarships are 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 January 2026

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
January 31, 2026

| | | |
|--|----|-------------|
| Beginning Book Value (January 1, 2026) | \$ | 440,718,328 |
| Beginning Market Value (January 1, 2026) | \$ | 442,709,884 |
| Additions/Subtractions (Book Value - Net) | \$ | 104,200,253 |
| Change in Market Value | \$ | 57,246,193 |
| Ending Book Value (January 31, 2026) | \$ | 544,918,580 |
| Ending Market Value (January 31, 2026) | \$ | 546,914,010 |
| Unrealized Gain/(Loss) | \$ | 1,995,430 |
| WAM (59% of Portfolio's Weighted Average Maturity) | | 1 day |
| WAM (41% of Portfolio's Weighted Average Maturity - Securities Held To Maturity) | | 333 |

| | | |
|--|----|-------------------|
| * Net amount provided/(for) operations | \$ | 96,668,158 |
| * Net amount provided/(for) CIP/others | | 378,083 |
| | \$ | <u>97,046,241</u> |

EXECUTIVE SUMMARY
INVENTORY HOLDINGS REPORT
January 31, 2026

| | Ending Book Value | Ending Market Value | Unrealized Gain (Loss) |
|--------------------------------------|------------------------------|--------------------------------|-----------------------------------|
| US Treasuries | \$ 185,255,692 | \$ 187,032,687 | \$ 1,776,996 |
| US Agencies | 35,032,456 | 35,250,890 | 218,434 |
| Local Government Pools | 151,471,783 | 151,471,783 | - |
| Money Market Funds | 122,946,646 | 122,946,646 | - |
| Certificate of Deposit | 50,000,000 | 50,000,000 | - |
| Interest Bearing Checking | 212,003 | 212,003 | - |
| Total | <u>\$ 544,918,580</u> | <u>\$ 546,914,010</u> | <u>\$ 1,995,430</u> |
| WAR (Weighted Average Interest Rate) | | <u>3.78%</u> | |

INVESTMENTS
INVENTORY HOLDINGS REPORT (OPERATING AND OTHERS)
January 31, 2026

| 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 | 7,191 | \$ (1,537) | \$ 7,415 | \$ 8,666 | \$ (62) | \$ 8,604 | \$ 7,345 | \$ - | \$ (1,259) |
| Fannie Mae ARM Pool 805454 | Bank of America | 4.6720% | 0.0000% | 12/23/04 | 12/01/34 | 8,161 | (5,973) | 8,466 | 14,078 | (56) | 14,022 | 8,400 | - | (5,621) |
| 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 | 10,144,109 | 9,980,570 | - | 9,980,570 | 10,129,179 | (14,931) | 148,609 |
| 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 | 9,982,422 | 9,966,406 | - | 9,966,406 | 9,975,781 | (6,641) | 9,375 |
| 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 | 14,831,836 | 14,510,850 | - | 14,510,850 | 14,831,836 | - | 320,986 |
| 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 | 10,067,969 | 9,996,484 | - | 9,996,484 | 10,056,250 | (11,719) | 59,766 |
| FARMER MAC DOMESTIC MTN UNSECURED | Bank of America | 3.6300% | 3.5600% | 09/13/24 | 09/13/27 | 15,000,000 | (27,510) | 15,019,787 | 15,027,510 | - | 15,027,510 | 15,010,715 | (9,072) | (16,795) |
| FARMER MAC DOMESTIC MTN UNSECURED | Bank of America | 4.3500% | 4.3430% | 02/12/25 | 01/28/28 | 10,000,000 | (1,750) | 10,108,719 | 10,001,750 | - | 10,001,750 | 10,095,250 | (13,468) | 93,500 |
| 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 | 10,010,781 | 9,937,500 | - | 9,937,500 | 10,006,563 | (4,219) | 69,063 |
| 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 | 10,010,781 | 9,930,859 | - | 9,930,859 | 10,006,563 | (4,219) | 75,703 |
| 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 | 9,869,844 | 9,506,250 | - | 9,506,250 | 9,887,297 | 17,453 | 381,047 |
| 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 | 15,031,641 | 15,048,633 | - | 15,048,633 | 15,016,445 | (15,195) | (32,188) |
| 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 | 30,010,547 | 29,524,219 | - | 29,524,219 | 29,984,766 | (25,781) | 460,547 |
| 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 | 9,850,781 | 9,631,250 | - | 9,631,250 | 9,846,094 | (4,687) | 214,844 |
| 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 | 10,082,422 | 9,960,938 | - | 9,960,938 | 10,067,969 | (14,453) | 107,031 |
| U.S. Treasury Note US Govt Treasury | Bank of America | 3.5000% | 3.6574% | 1/22/2026 | 3/16/2028 | 10,000,000 | 42,188 | - | - | 9,957,813 | 9,957,813 | 9,974,219 | 9,974,219 | 16,406 |
| U.S. Treasury Note US Govt Treasury | Bank of America | 1.7500% | 3.6656% | 1/22/2026 | 3/17/2028 | 10,000,000 | 543,750 | - | - | 9,456,250 | 9,456,250 | 9,475,781 | 9,475,781 | 19,531 |
| U.S. Treasury Note US Govt Treasury | Bank of America | 1.7500% | 3.6700% | 1/22/2026 | 3/18/2028 | 20,000,000 | 1,087,160 | - | - | 18,912,840 | 18,912,840 | 18,951,562 | 18,951,562 | 38,722 |
| U.S. Treasury Note US Govt Treasury | Bank of America | 1.7500% | 3.6700% | 1/22/2026 | 3/19/2028 | 20,000,000 | 1,084,600 | - | - | 18,915,400 | 18,915,400 | 18,951,562 | 18,951,562 | 36,162 |
| Debt Service 2001A Bond Interest Checking | Bank of America | | 1.7900% | | | | - | 1,312.96 | 1,312.96 | 2 | 1,315 | 1,315 | - | - |
| HCCS Merchant Service | Bank of America | | 0.6600% | | | | - | 0.00 | 0.00 | 25,856 | 25,856 | 25,856 | - | - |
| LTD 2013 Tax Bond General Checking | Bank of America | | 1.7900% | | | | - | 822.29 | 822.29 | 200 | 1,023 | 1,023 | - | - |
| Merrill Lynch (Morgan Stanley Govt/Goldman Sachs) | Bank of America | | 3.6100% | | | | - | 3,207.61 | 3,207.61 | 10 | 3,218 | 3,218 | - | - |
| Money Market 2006 Jr. Lien Debt Reserve | Bank of America | | 3.6100% | | | | - | 3,171,536 | 3,171,536 | 10,069 | 3,181,605 | 3,181,605 | - | - |
| Debt Service 2001A Bond Interest Checking | JP Morgan Chase | | 3.6100% | | | | - | - | - | - | - | - | - | - |
| HCCS Merchant Service | JP Morgan Chase | | 3.6100% | | | | - | - | - | - | - | - | - | - |
| LTD 2013 Tax Bond General Checking | JP Morgan Chase | | 3.6100% | | | | - | 1,818.65 | 1,818.65 | 181,990.57 | 183,809.22 | 183,809.22 | - | - |
| Merrill Lynch (Morgan Stanley Govt/Goldman Sachs) | JP Morgan Chase | | 0.0000% | | | | - | 73,515,369.22 | 73,515,369.22 | 46,246,454.31 | 119,761,823.53 | 119,761,823.53 | - | - |
| Money Market 2006 Jr. Lien Debt Reserve | JP Morgan Chase | | 1.7900% | | | | - | - | - | - | - | - | - | - |
| 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 | | 3.8110% | | | | - | 69,164,827.05 | 69,164,827.05 | 226,389.60 | 69,391,216.65 | 69,391,216.65 | - | - |
| TexPool - General Funds | State Street Bank | | 3.6880% | | | | - | 12,976,181.02 | 12,976,181.02 | 62,294.28 | 13,038,475.30 | 13,038,475.30 | - | - |
| TexPool - Prime | State Street Bank | | 3.8546% | | | | - | 68,837,289.37 | 68,837,289.37 | 204,802.06 | 69,042,091.43 | 69,042,091.43 | - | - |
| TOTAL | | | | | | | | \$ 442,709,884 | \$ 440,718,328 | \$ 104,200,253 | \$ 544,918,580 | \$ 546,914,010 | \$ 57,246,193 | \$ 1,995,430 |



Summary Operating Statements

**For the Period
September 1, 2025 - January 31, 2026**

For the Meeting of the Board of Trustees - April 1, 2026

**for
Houston City College**

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For the Period September 1, 2025 - January 31, 2026

Houston City College

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Summary of Financial Statements As of January 31, 2026

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 January 31, 2026, total revenues and fund balance transfer-ins are \$296.8 million. This represents 62.5% of the budgeted total of \$474.9 million. Expenses total \$186.3 million to date, which is 39.2% of the total expense budget of \$474.9 million. Compared with the same period last year, revenues and transfers are lower by 0.8 % and expenses are higher by 5.6%. Actual net revenue is \$110.5 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 16% higher when compared to prior year. Appropriations are expected to be over budget by year-end.

Tuition and fees, net, which include revenues for semester credit hour (SCH) courses, are 6.9% higher than last year at this time. Gross tuition and fee revenues are up 10.4% compared to last year due to increased enrollments and increased program offerings in high demand fields (see page 9). Total waivers and exemptions increased by 31.1% primarily due to Dual Credit waivers.

Continuing Education/Non-credit tuition and fees, net are 12.1% higher than last year at this time. Gross tuition and fees revenues are up by 12.1%.

Actual salaries for FY 2025 are 5.2% 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. An increase in PT faculty, due to enrollment growth, also contributed to the increase. Employee benefits are higher by 8.9% 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 1,330,266 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 January 31, 2026

| | Unrestricted | Restricted | Auxiliary | Loans | Scholarship | Unexpended Plant | Capital and Technology | Retirement of Debt | Investment in Plant | Total |
|--|-----------------------|---------------------|----------------------|-------------------|-------------------|-----------------------|------------------------|----------------------|-----------------------|-----------------------|
| Revenues | \$ 279,214,277 | \$ 18,728,024 | \$ 4,486,249 | \$ 30,870,646 | \$ 66,830,760 | \$ (27,727,184) | \$ 28,687,500 | \$ 21,753,812 | \$ 269,832 | \$ 423,113,916 |
| Expenses | | | | | | | | | | |
| Salaries | 109,661,565 | 2,123,715 | 412,088 | - | 1,576,387 | - | 9,778 | - | - | 113,783,533 |
| Employee Benefits | 13,967,772 | 9,091,567 | 80,349 | - | - | - | - | - | - | 23,139,688 |
| Supplies & General Expense | 2,050,392 | 138,828 | 254,152 | - | - | 1,373 | 133,699 | - | - | 2,578,445 |
| Travel | 197,120 | 35,807 | 7,301 | - | - | - | - | - | - | 240,228 |
| Marketing Costs | 998,699 | 24,210 | 1,564 | - | - | - | - | - | - | 1,024,473 |
| Rentals & Leases | 70,410 | - | 4,066 | - | - | - | - | - | - | 74,476 |
| Insurance/Risk Mgmt. | 4,094,760 | - | 147 | - | - | - | - | - | - | 4,094,907 |
| Contracted Services | 12,558,824 | 86,803 | 444,094 | - | - | 35,116 | 123,432 | 214,634 | - | 13,462,904 |
| Utilities | 3,949,158 | - | 203,366 | - | - | - | - | - | - | 4,152,524 |
| Other Departmental Expenses | 1,654,835 | 219,313 | 138,621 | - | 122,904 | - | - | - | - | 2,135,672 |
| Instructional & Other Materials | 3,686,949 | 59,294 | 454 | - | - | 61,932 | 405,534 | - | - | 4,214,163 |
| Maintenance & Repair | 615,546 | 39,681 | 614 | - | - | - | - | - | - | 655,841 |
| Transfers (In)/Out ¹ | 26,422,655 | - | - | - | (1,438,728) | (29,265,716) | 970,216 | 3,311,573 | - | - |
| Debt | 6,200 | - | - | - | - | - | - | 398,809 | - | 405,009 |
| Capital Outlay | 5,593,321 | 129,073 | 146,836 | - | - | 3,069,233 | 5,806,478 | - | - | 14,744,942 |
| Amortization/Depreciation | - | - | - | - | - | - | - | - | 14,675,999 | 14,675,999 |
| Scholarship Distribution | 784,132 | - | 909,833 | 30,870,646 | 66,702,621 | - | - | - | - | 99,267,232 |
| Total Expenses | 186,312,338 | 11,948,290 | 2,603,485 | 30,870,646 | 66,963,183 | (26,098,062) | 7,449,138 | 3,925,016 | 14,675,999 | 298,650,034 |
| Net Revenues/(Expenses) | 92,901,939 | 6,779,734 | 1,882,764 | - | (132,423) | (1,629,122) | 21,238,362 | 17,828,796 | (14,406,167) | 124,463,883 |
| Other Adjustments and Transfers | | | | | | | | | | |
| Debt Principal Payments ² | - | - | - | - | - | - | - | - | - | - |
| Debt Refinancing | - | - | - | - | - | - | - | - | - | - |
| Capitalization of Assets & CIP ² | - | - | - | - | - | 286,010 | 3,136,448 | - | 2,860,007 | 6,282,465 |
| Transfers of Completed Projects/Assets | - | - | - | - | - | - | - | - | - | - |
| Transfers of Balances between Funds | - | - | - | - | - | - | - | - | - | - |
| Total Other Adjustments and Transfers | - | - | - | - | - | 286,010 | 3,136,448 | - | 2,860,007 | 6,282,465 |
| Beginning Fund Balances, Audited | 42,783,470 | 897,080 | 23,605,096 | 238,698 | 4,017,685 | 126,030,418 | - | 20,049,079 | 590,834,013 | 808,455,539 |
| Ending Fund Balances | \$ 135,685,408 | \$ 7,676,814 | \$ 25,487,860 | \$ 238,698 | 3,885,262 | \$ 124,687,306 | \$ 24,374,811 | \$ 37,877,875 | \$ 579,287,853 | \$ 939,201,886 |

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 January 31, 2026
41.7% of Year

| | Budget Comparison | | | Previous Fiscal Year Comparison | | | |
|--|----------------------------|---|-----------------------------|---|---|---|--------------------------|
| | FY 2026 Adjusted Budget | Year-to-Date Actuals Thru January 31, 2026 | Actuals as a % of Budget | Year-to-Date Actuals Thru January 31, 2026 | Year-to-Date Actuals Thru January 31, 2025 | Increase (Decrease) FY 2026 Compared to FY 2025 | % Increase (Decrease) |
| REVENUES | | | | | | | |
| State Appropriations | \$ 72,938,399 | \$ 38,465,102 | 52.7% | \$ 38,465,102 | \$ 33,163,225 | \$ 5,301,877 | 16.0% |
| Ad Valorem Taxes | 242,337,151 | 111,841,890 | 46.2% | 111,841,890 | 141,254,251 | (29,412,361) | -20.8% |
| Tuition & Fees, Net | 114,395,960 | 114,527,092 | 100.1% | 114,527,092 | 107,108,739 | 7,418,353 | 6.9% |
| Other Local Income | 19,406,390 | 8,266,964 | 42.6% | 8,266,964 | 5,242,148 | 3,024,816 | 57.7% |
| Tuition & Fees, Net -- Extended Learning | 7,609,984 | 5,827,888 | 76.6% | 5,827,888 | 5,199,731 | 628,157 | 12.1% |
| Grant Revenue - Indirect Cost | 650,000 | 285,341 | 43.9% | 285,341 | 312,237 | (26,896) | -8.6% |
| Total Revenues | 457,337,884 | 279,214,277 | 61.1% | 279,214,277 | 292,280,331 | (13,066,054) | -4.5% |
| | | | | | | | |
| Fund Balance Transfers-In | 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 | \$ 296,783,653 | 62.5% | \$ 296,783,653 | \$ 299,326,313 | \$ (2,542,660) | -0.8% |
| EXPENSES | | | | | | | |
| Salaries | 262,284,857 | 109,661,565 | 41.8% | 109,661,565 | 104,252,702 | 5,408,863 | 5.2% |
| Employee Benefits | 39,768,492 | 13,967,772 | 35.1% | 13,967,772 | 12,827,774 | 1,139,997 | 8.9% |
| Supplies & General Expense | 6,446,261 | 2,049,992 | 31.8% | 2,049,992 | 2,007,809 | 42,182 | 2.1% |
| Travel | 1,386,375 | 197,120 | 14.2% | 197,120 | 246,975 | (49,855) | -20.2% |
| Marketing Costs | 3,733,538 | 998,699 | 26.7% | 998,699 | 356,323 | 642,376 | 180.3% |
| Rentals & Leases | 467,359 | 70,811 | 15.2% | 70,811 | 233,327 | (162,516) | -69.7% |
| Insurance/Risk Mgmt. | 10,618,231 | 4,094,760 | 38.6% | 4,094,760 | 4,069,438 | 25,321 | 0.6% |
| Contracted Services | 40,209,315 | 12,558,824 | 31.2% | 12,558,824 | 13,154,280 | (595,456) | -4.5% |
| Utilities | 11,659,309 | 3,949,158 | 33.9% | 3,949,158 | 2,916,137 | 1,033,021 | 35.4% |
| Other Departmental Expenses | 6,027,505 | 1,654,835 | 27.5% | 1,654,835 | 922,486 | 732,348 | 79.4% |
| Instructional & Other Materials | 10,727,081 | 3,686,949 | 34.4% | 3,686,949 | 4,021,571 | (334,622) | -8.3% |
| Maintenance & Repair | 2,763,476 | 615,546 | 22.3% | 615,546 | 1,145,001 | (529,455) | -46.2% |
| Transfers\Debt | 43,562,510 | 26,428,855 | 60.7% | 26,428,855 | 21,549,631 | 4,879,224 | 22.6% |
| Contingency/Initiatives | 6,692,649 | - | 0.0% | - | - | - | 0.0% |
| Capital Outlay | 17,061,889 | 5,593,321 | 32.8% | 5,593,321 | 8,718,347 | (3,125,025) | -35.8% |
| Scholarship Distribution | 11,498,412 | 784,132 | 6.8% | 784,132 | - | 784,132 | 100.0% |
| Total Expenses | \$ 474,907,260 | \$ 186,312,338 | 39.2% | \$ 186,312,338 | \$ 176,421,801 | \$ 9,890,537 | 5.6% |
| | | | | | | | |
| NET REVENUE/(EXPENSES) | - | \$ 110,471,314 | | \$ 110,471,314 | \$ 122,904,511 | \$ (12,433,197) | |

HOUSTON CITY COLLEGE
Auxiliary Revenues and Expenses by Fund
As of January 31, 2026

Auxiliary Funds - Uncommitted Portion

| | Main Leasing | Misc. Auxiliary* | Bookstore Commission | Scholarships | Subtotal Uncommitted |
|--|---------------------|--------------------|-------------------------|---------------------|-------------------------|
| Revenues | \$ 2,123,346 | \$ 138,627 | \$ 619,850 | \$ - | \$ 2,881,822 |
| Expenses | | | | | |
| Salaries | 125,070 | 43,397 | - | 36,015 | 204,482 |
| Employee Benefits | 29,254 | 5,818 | - | 354 | 35,425 |
| Supplies & General Expense | 27,967 | 20,710 | - | | 48,677 |
| Travel | | | - | | - |
| Marketing Costs | | | - | | - |
| Rentals & Leases | | | - | | - |
| Insurance/Risk Mgmt. | | | - | | - |
| Contracted Services | 393,606.31 | 16,287.76 | - | | 409,894 |
| Utilities | | | - | | - |
| Other Departmental Expenses | 298,242 | 116,492.00 | - | | 414,734 |
| Instructional & Other Materials | | | - | | - |
| Maintenance & Repair | | | - | | - |
| Transfers/Debt | | | - | | - |
| Capital Outlay | | | - | | - |
| Scholarship Distribution | | | - | 888,727 | 888,727 |
| Total Expenses | <u>874,139</u> | <u>202,704</u> | <u>-</u> | <u>925,095</u> | <u>2,001,938</u> |
| Contribution to Fund Balance | <u>\$ 1,249,207</u> | <u>\$ (64,078)</u> | <u>\$ 619,850</u> | <u>\$ (925,095)</u> | <u>879,884</u> |
| Beginning Fund Balance, Audited | | | | | <u>19,421,438</u> |
| Ending Fund Balance | | | | | <u>\$ 20,301,323</u> |

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

HOUSTON CITY COLLEGE
Auxiliary Revenues and Expenses By Fund
As of January 31, 2026

Auxiliary Funds - International and Committed Portions

| | <u>International</u> | | <u>Committed</u> | | | | <u>Total</u> |
|--|--|-----------------------------------|---|---------------------------------|---------------------------------|-------------------------------|------------------------|
| | <u>Other International Initiatives</u> | <u>Subtotal International</u> | <u>Student Vending Commission</u> | <u>Student Activity Fee</u> | <u>Student Athletic Fee</u> | <u>Subtotal Committed</u> | <u>Total Auxiliary</u> |
| Revenues | \$ - | \$ - | \$ - | \$ 904,847 | \$ 699,580 | \$ 1,604,427 | \$ 4,486,249 |
| Expenses | | | | | | | |
| Salaries | - | - | - | 53,608 | 174,713 | 228,322 | 432,803 |
| Employee Benefits | - | - | - | 2,637 | 42,287 | 44,924 | 80,349 |
| Supplies & General Expense | 17,583 | 17,583 | - | 167,311 | 30,905 | 198,216 | 264,476 |
| Travel | - | - | - | - | - | - | - |
| Marketing Costs | - | - | - | - | - | - | - |
| Rentals & Leases | - | - | - | - | - | - | - |
| Insurance/Risk Mgmt. | - | - | - | - | - | - | - |
| Contracted Services | - | - | - | 16,536 | 28,567 | 45,103 | 454,997 |
| Utilities | - | - | - | - | - | - | - |
| Other Departmental Expenses | 1,890 | 1,890 | - | 39,192.51 | 26,317 | 65,509 | 482,133 |
| Instructional & Other Materials | - | - | - | - | - | - | - |
| Maintenance & Repair | - | - | - | - | - | - | - |
| Transfers/Debt | - | - | - | - | - | - | - |
| Capital Outlay | - | - | - | - | - | - | - |
| Scholarship Distribution | - | - | - | - | - | - | 888,727 |
| Total Expenses | 19,473 | 19,473 | - | 279,285 | 302,789 | 582,074 | 2,603,485 |
| Contribution to Fund Balance | (19,473) | (19,473) | - | 625,562 | 396,791 | 1,022,353 | 1,882,764 |
| Beginning Fund Balance, Audited | | 1,399,422 | (1,284,080) | 2,083,297 | 1,985,018 | 2,784,235 | 23,605,095 |
| Ending Fund Balance | \$ 1,379,949 | | \$ (1,284,080) | \$ 2,708,859 | \$ 2,381,808 | \$ 3,806,588 | \$ 25,487,860 |

HOUSTON CITY COLLEGE
Unrestricted Adjusted Budgets and Actuals by Division - Summary Comparison
As of January 31, 2026
41.7% of Year

| Division | FY 2026 Adjusted Budget | Actuals as of January 31, 2026 | % Spent | FY 2025 Adjusted Budget | Actuals as of January 31, 2025 | % Spent |
|--|------------------------------------|---|----------------|------------------------------------|---|----------------|
| Central College | \$ 16,560,955 | \$ 6,813,905 | 41.1% | \$ 15,610,211 | 6,114,569 | 39.2% |
| Northwest College | 20,349,576 | 8,194,517 | 40.3% | 19,406,230 | 7,164,512 | 36.9% |
| Northeast College | 18,580,737 | 7,859,779 | 42.3% | 17,353,232 | 7,029,625 | 40.5% |
| Southwest College | 17,687,771 | 7,690,952 | 43.5% | 16,324,878 | 6,828,533 | 41.8% |
| Southeast College | 18,656,549 | 7,996,372 | 42.9% | 17,993,555 | 7,773,685 | 43.2% |
| Coleman College | 24,034,237 | 8,849,659 | 36.8% | 22,485,407 | 8,579,755 | 38.2% |
| Academic Instruction | 85,924,401 | 38,913,580 | 45.3% | 83,900,010 | 36,727,360 | 43.8% |
| Office of the Chancellor | 12,324,628 | 4,469,137 | 36.3% | 11,815,158 | 4,180,414 | 35.4% |
| Instructional Services | 13,359,935 | 3,379,669 | 25.3% | 13,158,889 | 3,311,520 | 25.2% |
| Online College | 3,568,997 | 1,373,480 | 38.5% | 3,284,252 | 1,248,183 | 38.0% |
| Student Services | 11,110,354 | 3,480,817 | 31.3% | 11,785,190 | 3,385,954 | 28.7% |
| Strategy, Planning & Institutional Effectiveness | 5,280,930 | 1,670,689 | 31.6% | 5,539,712 | 1,788,642 | 32.3% |
| External & Governmental Relations, Transfers and Alumni Relations | 2,342,945 | 731,000 | 31.2% | 2,259,779 | 534,144 | 23.6% |
| Legal & Compliance | 19,212,617 | 6,466,855 | 33.7% | 17,764,368 | 6,635,660 | 37.4% |
| Finance & Accounting | 85,874,806 | 29,054,064 | 33.8% | 82,142,001 | 35,260,403 | 42.9% |
| System | 111,418,004 | 46,855,591 | 42.1% | 120,414,421 | 38,399,246 | 31.9% |
| Grand Total | \$ 474,907,260 | \$ 186,312,338 | 39.2% | \$ 467,949,237 | \$ 176,421,801 | 37.7% |

HOUSTON CITY COLLEGE

Balance Sheet by Fund

As of January 31, 2026

| | CURRENT & LOAN FUNDS ¹ | PLANT & BOND FUNDS ² | TOTAL ALL FUNDS | PRIOR YEAR TOTAL ALL FUNDS |
|--|--------------------------------------|------------------------------------|-------------------------|-------------------------------|
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash & cash equivalents | \$ 161,322,249 | \$ 143,391,578 | \$ 304,713,827 | \$ 222,525,282 |
| Accounts receivable (net) | 76,238,655 | 3,176,075 | 79,414,730 | 33,361,251 |
| Deferred charges | 25,096 | - | 25,096 | 12,374,580 |
| Prepays | 4,810,287 | - | 4,810,287 | 9,098,114 |
| Total Current Assets | 242,396,287 | 146,567,653 | 388,963,940 | 277,359,227 |
| Non-current Assets: | | | | |
| Restricted cash & cash equivalents | - | 24,086,525 | 24,086,525 | 34,810,115 |
| Restricted long-term investments | - | 15,746 | 15,746 | - |
| Long-term investments | 222,267,831 | - | 222,267,831 | 219,554,291 |
| Long-term lease receivable | 18,734,515 | - | 18,734,515 | 18,241,761 |
| Capital assets, net | 9,020,404 | 1,117,156,243 | 1,126,176,647 | 1,134,300,351 |
| Total Non-current Assets | 250,022,750 | 1,141,258,514 | 1,391,281,264 | 1,406,906,518 |
| Total Assets | \$ 492,419,037 | \$ 1,287,826,167 | \$ 1,780,245,204 | \$ 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 | \$ 524,927,154 | \$ 1,289,126,893 | \$ 1,814,054,047 | \$ 1,718,074,588 |
| LIABILITIES | | | | |
| Current Liabilities: | | | | |
| Accounts payable | 22,249,909 | 558,824 | 22,808,733 | 17,734,123 |
| Accrued Interest- SBITA | 466,208 | - | 466,208 | 466,208 |
| Accrued liabilities | 757,902 | 608,223 | 1,366,125 | 8,552,333 |
| Compensated absences | 15,972,276 | - | 15,972,276 | 15,972,276 |
| Funds held for others | 1,346,481 | 189,209 | 1,535,690 | 841,776 |
| Deferred revenue | 698,739 | - | 698,739 | 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 | 50,936,329 | 39,654,289 | 90,590,618 | 124,430,213 |
| Non-current Liabilities: | | | | |
| SBITA Liability | 3,120,956 | - | 3,120,956 | 3,120,956 |
| Net OPEB liability | 137,226,159 | - | 137,226,159 | 137,226,159 |
| Net pension liability | 91,994,941 | - | 91,994,941 | 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 | \$ 283,278,385 | \$ 514,542,911 | \$ 797,821,296 | \$ 831,660,891 |
| Deferred Inflows of Resources: | | | | |
| Leases | 20,300,983 | - | 20,300,983 | 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 | \$ 68,674,728 | \$ 8,356,137 | \$ 77,030,865 | \$ 77,958,157 |
| Total Liabilities and Deferred Inflows of Resources | \$ 351,953,113 | \$ 522,899,048 | \$ 874,852,161 | \$ 909,619,048 |
| Fund Balance | \$ 209,140,653 | \$ 773,283,256 | \$ 982,423,909 | 852,604,854 |
| Beginning Fund Balances, Audited | 71,542,029 | 736,913,510 | 808,455,539 | 734,321,024 |
| Net Revenue/(Expenses) | | | | |
| Unrestricted | 94,784,702 | - | 94,784,702 | (24,597,750) |
| Restricted | 6,647,310 | - | 6,647,310 | 674,395 |
| Net Investment in Plant | - | 29,314,335 | 29,314,335 | 98,057,870 |
| Ending Fund Balances | \$ 172,974,041 | \$ 766,227,845 | \$ 939,201,886 | \$ 808,455,539 |
| Total Liabilities & Fund Balances | \$ 524,927,154 | \$ 1,289,126,893 | \$ 1,814,054,047 | \$ 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 January 31, 2026

| | FY 2025 | | FY 2026 | | Actuals % Increase/ (Decrease)YTD vs. Prior YTD |
|--|--|---|---|---|--|
| | Prior Year Activity thru 8/31/2025 | Year-to-Date Activity thru 01/31/2025 | Year-to-Date Activity thru 01/31/2026 | Year-to-Date Activity thru 01/31/2026 | |
| Tuition & Fees | | | | | |
| Budget: | | | | | |
| Adjusted Budget, Annual* | \$ 126,237,802 | \$ 107,108,739 | \$ 114,395,960 | | 6.8% |
| Revenues: | | | | | |
| Gross Tuition & Fees | 151,515,167 | 125,281,979 | 138,358,395 | | 10.4% |
| Waivers & Exemptions: | | | | | |
| Dual Credit & Early College HS | (19,222,225) | (16,183,057) | (21,363,863) | | 32.0% |
| Other | (2,947,494) | (1,990,183) | (2,467,440) | | 24.0% |
| Total Waivers & Exemptions | (22,169,719) | (18,173,240) | (23,831,303) | | 31.1% |
| Total Tuition & Fees Revenue, Net | \$ 129,345,448 | \$ 107,108,739 | \$ 114,527,092 | | 6.9% |

| | | | | | |
|--|---------------------|---------------------|---------------------|--|--------------|
| Tuition & Fees - Extended Learning (EL) | | | | | |
| Budget: | | | | | |
| Adjusted Budget, Annual* | \$ 7,885,993 | \$ 5,199,731 | \$ 7,609,984 | | 46.4% |
| Revenues: | | | | | |
| Gross Tuition & Fees | 8,435,498 | 5,199,730 | 5,827,888 | | 12.1% |
| Waivers & Exemptions: | | | | | |
| Department of Corrections | - | - | - | | 0.0% |
| Total EL Tuition & Fees Revenue, Net | \$ 8,435,498 | \$ 5,199,730 | \$ 5,827,888 | | 12.1% |

| Exemptions & Waivers | FY 2025 | | FY 2026 | | Actuals % Increase/ (Decrease)YTD vs. PriorYTD |
|---|--|---|---|---|---|
| | Prior Year Activity thru 8/31/2025 | Year-to-Date Activity thru 01/31/2025 | Year-to-Date Activity thru 01/31/2026 | Year-to-Date Activity thru 01/31/2026 | |
| Dual Credit & Early College HS Waiver | 19,222,225 | 16,183,057 | 21,363,863 | | 32.0% |
| Other Exemptions: | | | | | |
| Employee Fee Exemptions | 46,164 | 32,642 | 41,411 | | 26.9% |
| Firemen | 43,929 | 33,180 | 18,997 | | -42.7% |
| Hazelwood | 1,265,115 | 878,849 | 1,016,384 | | 15.6% |
| Deaf & Blind | 141,103 | 113,700 | 120,479 | | 6.0% |
| High Ranking High School Grad | 1,364 | 880 | - | | -100.0% |
| Good Neighbor Program | 104,266 | 67,029 | 30,998 | | -53.8% |
| Child of Disabled Vet | 2,817 | 2,642 | 3,501 | | 32.5% |
| Employee of State College & University | 4,703 | 4,275 | 1,283 | | -70.0% |
| Non-resident Teach/Research Assistant | 10,602 | 3,506 | 10,545 | | 200.8% |
| Non-resident Competitive Scholarships | 6,555 | 5,985 | 5,130 | | -14.3% |
| Senior Citizens | 445,900 | 346,462 | 458,099 | | 32.2% |
| Misc Tuition/Fees Waivers | - | - | 366 | | 100.0% |
| Concurrent Enrollment | 222 | - | - | | 100.0% |
| Foster Children-Resident | 301,126 | 209,304 | 269,757 | | 28.9% |
| TX Tomorrow Waiver | 277 | 278 | - | | 100.0% |
| Surviving Spouse/Children | - | - | 1,146 | | 100.0% |
| Adopted Student Waiver | 357,878 | 263,158 | 301,301 | | 14.5% |
| FAST Book & OD Fees | 199,262 | 20,010 | 171,988 | | 759.5% |
| Total Other Exemptions | 2,947,494 | 1,990,183 | 2,467,440 | | 24.0% |
| Grand Total Exemptions & Waivers | \$ 22,169,719 | \$ 18,173,240 | \$ 23,831,303 | | 31.1% |

*Amount net of exemptions & waivers.



HOUSTON CITY COLLEGE

MONTHLY INVESTMENT REPORT

For the Month of February 2026

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
February 28, 2026

| | | |
|--|----|-------------|
| Beginning Book Value (February 1, 2026) | \$ | 544,918,580 |
| Beginning Market Value (February 1, 2026) | \$ | 546,914,010 |
| Additions/Subtractions (Book Value - Net) | \$ | 84,227,691 |
| Change in Market Value | \$ | 49,192,361 |
| Ending Book Value (February 28, 2026) | \$ | 629,146,271 |
| Ending Market Value (February 28, 2026) | \$ | 631,900,765 |
| Unrealized Gain/(Loss) | \$ | 2,754,493 |
| WAM (57% of Portfolio's Weighted Average Maturity) | | 1 day |
| WAM (43% of Portfolio's Weighted Average Maturity - Securities Held To Maturity) | | 341 |

| | | |
|--|----|-------------------|
| * Net amount provided/(for) operations | \$ | 84,156,487 |
| * Net amount provided/(for) CIP/others | | 71,205 |
| | \$ | <u>84,227,691</u> |

EXECUTIVE SUMMARY
INVENTORY HOLDINGS REPORT
February 28, 2026

| | Ending Book Value | Ending Market Value | Unrealized Gain (Loss) |
|--------------------------------------|------------------------------|--------------------------------|-----------------------------------|
| US Treasuries | \$ 233,688,988 | \$ 236,166,349 | \$ 2,477,361 |
| US Agencies | 35,032,337 | 35,309,469 | 277,132 |
| Local Government Pools | 151,913,258 | 151,913,258 | - |
| Money Market Funds | 158,299,277 | 158,299,277 | - |
| Certificate of Deposit | 50,000,000 | 50,000,000 | - |
| Interest Bearing Checking | 212,412 | 212,412 | - |
| Total | <u>\$ 629,146,271</u> | <u>\$ 631,900,765</u> | <u>\$ 2,754,493</u> |
| WAR (Weighted Average Interest Rate) | | <u>3.74%</u> | |

INVESTMENTS
INVENTORY HOLDINGS REPORT (OPERATING AND OTHERS)
February 28, 2026

| 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 | 7,128 | \$ (1,476) | \$ 7,345 | \$ 8,604 | \$ (63) | \$ 8,541 | \$ 7,281 | \$ - | \$ (1,260) |
| Fannie Mae ARM Pool 805454 | Bank of America | 4.6720% | 0.0000% | 12/23/04 | 12/01/34 | 8,104 | (5,918) | 8,400 | 14,022 | (57) | 13,965 | 8,344 | - | (5,621) |
| 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 | 10,129,179 | 9,980,570 | - | 9,980,570 | 10,152,601 | 23,422 | 172,031 |
| 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 | 9,975,781 | 9,966,406 | - | 9,966,406 | 9,991,797 | 16,016 | 25,391 |
| 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 | 14,831,836 | 14,510,850 | - | 14,510,850 | 14,857,031 | 25,195 | 346,181 |
| 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 | 10,056,250 | 9,996,484 | - | 9,996,484 | 10,071,094 | 14,844 | 74,609 |
| FARMER MAC DOMESTIC MTN UNSECURED | Bank of America | 3.6300% | 3.5600% | 09/13/24 | 09/13/27 | 15,000,000 | (27,510) | 15,010,715 | 15,027,510 | - | 15,027,510 | 15,026,344 | 15,629 | (1,166) |
| FARMER MAC DOMESTIC MTN UNSECURED | Bank of America | 4.3500% | 4.3430% | 02/12/25 | 01/28/28 | 10,000,000 | (1,750) | 10,095,250 | 10,001,750 | - | 10,001,750 | 10,114,899 | 19,649 | 113,149 |
| 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 | 10,006,563 | 9,937,500 | - | 9,937,500 | 10,003,828 | (2,734) | 66,328 |
| 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 | 10,006,563 | 9,930,859 | - | 9,930,859 | 10,003,828 | (2,734) | 72,969 |
| 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 | 9,887,297 | 9,506,250 | - | 9,506,250 | 9,907,943 | 20,646 | 401,693 |
| 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 | 15,016,445 | 15,048,633 | - | 15,048,633 | 15,008,562 | (7,883) | (40,071) |
| 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 | 29,984,766 | 29,524,219 | - | 29,524,219 | 30,062,109 | 77,344 | 537,891 |
| 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 | 9,846,094 | 9,631,250 | - | 9,631,250 | 9,881,641 | 35,547 | 250,391 |
| 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 | 10,067,969 | 9,960,938 | - | 9,960,938 | 10,096,875 | 28,906 | 135,938 |
| U.S. Treasury Note US Govt Treasury | Bank of America | 3.5000% | 3.6574% | 1/22/2026 | 3/16/2028 | 10,000,000 | 10,000,000 | 9,974,218.80 | 9,957,812.50 | - | 9,957,813 | 10,031,250 | 57,031 | 73,438 |
| U.S. Treasury Note US Govt Treasury | Bank of America | 1.7500% | 3.6656% | 1/22/2026 | 3/17/2028 | 10,000,000 | 10,000,000 | 9,475,781.20 | 9,456,250.00 | - | 9,456,250 | 9,548,438 | 72,656 | 92,188 |
| U.S. Treasury Note US Govt Treasury | Bank of America | 1.7500% | 3.6700% | 1/22/2026 | 3/18/2028 | 20,000,000 | 20,000,000 | 18,951,562.40 | 18,912,840.00 | - | 18,912,840 | 19,096,875 | 145,313 | 184,035 |
| U.S. Treasury Note US Govt Treasury | Bank of America | 1.7500% | 3.6700% | 1/22/2026 | 3/19/2028 | 20,000,000 | 20,000,000 | 18,951,562.40 | 18,915,400.00 | - | 18,915,400 | 19,096,875 | 145,313 | 181,475 |
| U.S. Treasury Note US Govt Treasury | Bank of America | 0.6250% | 3.4790% | 2/20/2026 | 3/31/2027 | 20,000,000 | 614,804 | - | - | 19,385,196 | 19,385,196 | 19,397,656 | 19,397,656 | 12,460 |
| U.S. Treasury Note US Govt Treasury | Bank of America | 2.3750% | 3.4603% | 2/20/2026 | 3/31/2029 | 30,000,000 | 951,900 | - | - | 29,048,100 | 29,048,100 | 29,110,547 | 29,110,547 | 62,447 |
| Debt Service 2001A Bond Interest Checking | Bank of America | | 1.8000% | | | | | 1,314.94 | 1,314.94 | 2 | 1,317 | 1,317 | - | - |
| HCCS Merchant Service | Bank of America | | 0.6600% | | | | | 25,856.01 | 25,856.01 | (47) | 25,809 | 25,809 | - | - |
| LTD 2013 Tax Bond General Checking | Bank of America | | 1.8000% | | | | | 1,022.67 | 1,022.67 | 201 | 1,223 | 1,223 | - | - |
| Merrill Lynch (Morgan Stanley Govt/Goldman Sachs) | Bank of America | | 3.6000% | | | | | 3,217.79 | 3,217.79 | 10 | 3,228 | 3,228 | - | - |
| Money Market 2006 Jr. Lien Debt Reserve | Bank of America | | 3.6000% | | | | | 3,181,605 | 3,181,605 | 9,811 | 3,191,416 | 3,191,416 | - | - |
| Debt Service 2001A Bond Interest Checking | JP Morgan Chase | | 3.6000% | | | | | - | - | - | - | - | - | - |
| HCCS Merchant Service | JP Morgan Chase | | 3.6000% | | | | | - | - | - | - | - | - | - |
| LTD 2013 Tax Bond General Checking | JP Morgan Chase | | 3.6000% | | | | | 183,809.22 | 183,809.22 | 253.30 | 184,062.52 | 184,062.52 | - | - |
| Merrill Lynch (Morgan Stanley Govt/Goldman Sachs) | JP Morgan Chase | | 0.0000% | | | | | 119,761,823.53 | 119,761,823.53 | 35,342,810.34 | 155,104,633.87 | 155,104,633.87 | - | - |
| Money Market 2006 Jr. Lien Debt Reserve | JP Morgan Chase | | 1.8000% | | | | | - | - | - | - | - | - | - |
| 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 | | 3.7961% | | | | | 69,391,216.65 | 69,391,216.65 | 202,292.33 | 69,593,508.98 | 69,593,508.98 | - | - |
| TexPool - General Funds | State Street Bank | | 3.6916% | | | | | 13,038,475.30 | 13,038,475.30 | 36,813.63 | 13,075,288.93 | 13,075,288.93 | - | - |
| TexPool - Prime | State Street Bank | | 3.8182% | | | | | 69,042,091.43 | 69,042,091.43 | 202,368.87 | 69,244,460.30 | 69,244,460.30 | - | - |
| TOTAL | | | | | | | | \$ 546,914,010 | \$ 544,918,580 | \$ 84,227,691 | \$ 629,146,271 | \$ 631,900,765 | \$ 49,192,361 | \$ 2,754,493 |



Summary Operating Statements

For the Period
September 1, 2025 - February 28, 2026

For the Meeting of the Board of Trustees - April 1, 2026

for
Houston City College

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For the Period September 1, 2025 - February 28, 2026

Houston City College

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Summary of Financial Statements As of February 28, 2026

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 February 28, 2026, total revenues and fund balance transfer-ins are \$434.7 million. This represents 91.5% of the budgeted total of \$474.9 million. Expenses total \$226.1 million to date, which is 47.6% of the total expense budget of \$474.9 million. Compared with the same period last year, revenues and transfers are higher by 9.4 % and expenses are higher by 8.9%. Actual net revenue is \$208.6 million to date.

Ad Valorem tax revenue collections are higher when compared to last year mainly due to increases in property valuations. 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 3.9% higher when compared to prior year. Appropriations are expected to be over budget by year-end.

Tuition and fees, net, which include revenues for semester credit hour (SCH) courses, are 7.1% higher than last year at this time. Gross tuition and fee revenues are up 10.5% 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 30.4% primarily due to Dual Credit waivers.

Continuing Education/Non-credit tuition and fees, net are 11.8% higher than last year at this time. Gross tuition and fees revenues are up by 11.8%.

Actual salaries for FY 2025 are 5.2% 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. An increase in PT faculty, due to enrollment growth, also contributed to the increase. Employee benefits are higher by 8.8% 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 1,201,531 compared to this time in FY 2025 of \$1,400,744.

HOUSTON CITY COLLEGE
Statement of Revenues, Expenses and Fund Balances - All Funds
As of February 28, 2026

| | Unrestricted | Restricted | Auxiliary | Loans | Scholarship | Unexpended Plant | Capital and Technology | Retirement of Debt | Investment in Plant | Total |
|--|-----------------------|---------------------|----------------------|-------------------|--------------------|-----------------------|------------------------|----------------------|-----------------------|-------------------------|
| Revenues | \$ 417,176,118 | \$ 20,951,355 | \$ 4,951,443 | \$ 57,523,434 | \$ 111,329,743 | \$ (27,621,679) | \$ 28,687,500 | \$ 39,637,013 | \$ 269,832 | \$ 652,904,759 |
| Expenses | | | | | | | | | | |
| Salaries | 131,709,981 | 2,578,811 | 502,640 | - | 1,976,604 | - | 18,535 | - | - | 136,786,570 |
| Employee Benefits | 16,663,448 | 10,902,830 | 97,735 | - | - | - | - | - | - | 27,664,013 |
| Supplies & General Expense | 2,387,103 | 177,079 | 345,883 | - | - | 27,505 | 134,979 | - | - | 3,072,550 |
| Travel | 251,357 | 41,409 | 7,301 | - | - | - | - | - | - | 300,066 |
| Marketing Costs | 1,280,640 | 27,710 | 1,564 | - | - | - | - | - | - | 1,309,913 |
| Rentals & Leases | 75,496 | - | 4,066 | - | - | 1,229 | - | - | - | 80,791 |
| Insurance/Risk Mgmt. | 7,470,476 | - | 777 | - | - | - | - | - | - | 7,471,253 |
| Contracted Services | 15,982,107 | 111,842 | 587,668 | - | - | 40,358 | 218,763 | 237,961 | - | 17,178,699 |
| Utilities | 4,876,780 | - | 257,972 | - | - | - | - | - | - | 5,134,752 |
| Other Departmental Expenses | 2,183,730 | 269,957 | 161,052 | - | 189,439 | - | - | - | - | 2,804,178 |
| Instructional & Other Materials | 4,194,747 | 76,038 | 454 | - | - | 62,611 | 414,078 | - | - | 4,747,927 |
| Maintenance & Repair | 742,079 | 57,073 | 614 | - | - | - | 9,131 | - | - | 808,896 |
| Transfers (In)/Out ¹ | 28,077,572 | - | - | - | (3,093,645) | (29,265,716) | 970,216 | 3,311,573 | - | - |
| Debt | 8,675 | - | - | - | - | - | - | 31,625,167 | - | 31,633,842 |
| Capital Outlay | 6,761,142 | 194,073 | 212,799 | - | - | 3,433,418 | 6,504,688 | - | - | 17,106,119 |
| Amortization/Depreciation | - | - | - | - | - | - | - | - | 17,766,171 | 17,766,171 |
| Scholarship Distribution | 3,474,223 | - | 1,500,647 | 57,523,434 | 112,384,545 | - | - | - | - | 174,882,850 |
| Total Expenses | 226,139,555 | 14,436,821 | 3,681,172 | 57,523,434 | 111,456,944 | (25,700,595) | 8,270,389 | 35,174,701 | 17,766,171 | 448,748,592 |
| Net Revenues/(Expenses) | 191,036,563 | 6,514,534 | 1,270,271 | - | (127,201) | (1,921,084) | 20,417,111 | 4,462,312 | (17,496,339) | 204,156,167 |
| Other Adjustments and Transfers | | | | | | | | | | |
| Debt Principal Payments ² | - | - | - | - | - | - | - | - | - | - |
| Debt Refinancing | - | - | - | - | - | - | - | - | - | - |
| Capitalization of Assets & CIP ² | - | - | - | - | - | 361,475 | 3,757,055 | - | 28,983,219 | 33,101,749 |
| Transfers of Completed Projects/Assets | - | - | - | - | - | - | - | - | - | - |
| Transfers of Balances between Funds | - | - | - | - | - | - | - | - | - | - |
| Total Other Adjustments and Transfers | - | - | - | - | - | 361,475 | 3,757,055 | - | 28,983,219 | 33,101,749 |
| Beginning Fund Balances, Audited | 42,783,470 | 897,080 | 23,605,096 | 238,698 | 4,017,685 | 126,030,418 | - | 20,049,079 | 590,834,013 | 808,455,539 |
| Ending Fund Balances | \$ 233,820,032 | \$ 7,411,614 | \$ 24,875,367 | \$ 238,698 | 3,890,484 | \$ 124,470,810 | \$ 24,174,166 | \$ 24,511,391 | \$ 602,320,892 | \$ 1,045,713,454 |

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 February 28, 2026
50% of Year

| | Budget Comparison | | | Previous Fiscal Year Comparison | | | |
|--|----------------------------|--|-----------------------------|--|--|---|--------------------------|
| | FY 2026 Adjusted Budget | Year-to-Date Actuals Thru February 28, 2026 | Actuals as a % of Budget | Year-to-Date Actuals Thru February 28, 2026 | Year-to-Date Actuals Thru February 28, 2025 | Increase (Decrease) FY 2026 Compared to FY 2025 | % Increase (Decrease) |
| REVENUES | | | | | | | |
| State Appropriations | \$ 72,938,399 | \$ 55,681,129 | 76.3% | \$ 55,681,129 | \$ 53,569,216 | \$ 2,111,913 | 3.9% |
| Ad Valorem Taxes | 242,337,151 | 226,882,284 | 93.6% | 226,882,284 | 214,926,890 | 11,955,394 | 5.6% |
| Tuition & Fees, Net | 114,395,960 | 116,166,329 | 101.5% | 116,166,329 | 108,425,251 | 7,741,078 | 7.1% |
| Other Local Income | 19,406,390 | 11,804,253 | 60.8% | 11,804,253 | 7,437,634 | 4,366,619 | 58.7% |
| Tuition & Fees, Net -- Extended Learning | 7,609,984 | 6,250,672 | 82.1% | 6,250,672 | 5,590,195 | 660,477 | 11.8% |
| Grant Revenue - Indirect Cost | 650,000 | 391,451 | 60.2% | 391,451 | 405,341 | (13,890) | -3.4% |
| Total Revenues | 457,337,884 | 417,176,118 | 91.2% | 417,176,118 | 390,354,527 | 26,821,591 | 6.9% |
| | | | | | | | |
| Fund Balance Transfers-In | 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 | \$ 434,745,494 | 91.5% | \$ 434,745,494 | \$ 397,400,509 | \$ 37,344,986 | 9.4% |
| EXPENSES | | | | | | | |
| Salaries | 262,284,857 | 131,709,981 | 50.2% | 131,709,981 | 125,231,444 | 6,478,537 | 5.2% |
| Employee Benefits | 39,768,492 | 16,663,448 | 41.9% | 16,663,448 | 15,316,592 | 1,346,857 | 8.8% |
| Supplies & General Expense | 6,446,261 | 2,386,703 | 37.0% | 2,386,703 | 2,514,059 | (127,356) | -5.1% |
| Travel | 1,386,375 | 251,357 | 18.1% | 251,357 | 283,612 | (32,256) | -11.4% |
| Marketing Costs | 3,733,538 | 1,280,640 | 34.3% | 1,280,640 | 1,389,365 | (108,725) | -7.8% |
| Rentals & Leases | 467,359 | 75,897 | 16.2% | 75,897 | 237,926 | (162,029) | -68.1% |
| Insurance/Risk Mgmt. | 10,618,231 | 7,470,476 | 70.4% | 7,470,476 | 4,076,411 | 3,394,065 | 83.3% |
| Contracted Services | 40,209,315 | 15,982,107 | 39.7% | 15,982,107 | 14,871,862 | 1,110,245 | 7.5% |
| Utilities | 11,659,309 | 4,876,780 | 41.8% | 4,876,780 | 4,428,701 | 448,079 | 10.1% |
| Other Departmental Expenses | 6,027,505 | 2,183,730 | 36.2% | 2,183,730 | 1,138,791 | 1,044,939 | 91.8% |
| Instructional & Other Materials | 10,727,081 | 4,194,747 | 39.1% | 4,194,747 | 4,887,401 | (692,655) | -14.2% |
| Maintenance & Repair | 2,763,476 | 742,079 | 26.9% | 742,079 | 1,356,056 | (613,977) | -45.3% |
| Transfers\Debt | 43,562,510 | 28,086,247 | 64.5% | 28,086,247 | 22,056,818 | 6,029,429 | 27.3% |
| Contingency/Initiatives | 6,692,649 | - | 100.0% | - | - | - | 0.0% |
| Capital Outlay | 17,061,889 | 6,761,142 | 39.6% | 6,761,142 | 9,823,910 | (3,062,768) | -31.2% |
| Scholarship Distribution | 11,498,412 | 3,474,223 | 30.2% | 3,474,223 | - | 3,474,223 | 100.0% |
| Total Expenses | \$ 474,907,260 | \$ 226,139,555 | 47.6% | \$ 226,139,555 | \$ 207,612,948 | \$ 18,526,607 | 8.9% |
| | | | | | | | |
| NET REVENUE/(EXPENSES) | - | \$ 208,605,939 | | \$ 208,605,939 | \$ 189,787,561 | \$ 18,818,378 | |

HOUSTON CITY COLLEGE
Auxiliary Revenues and Expenses by Fund
As of February 28, 2026

Auxiliary Funds - Uncommitted Portion

| | Main Leasing | Misc. Auxiliary * | Bookstore Commission | Scholarships | Subtotal Uncommitted |
|--|---------------------|--------------------|-------------------------|-----------------------|-------------------------|
| Revenues | \$ 2,549,620 | \$ 156,158 | \$ 619,850 | \$ - | \$ 3,325,628 |
| Expenses | | | | | |
| Salaries | 154,599 | 53,304 | - | 44,070 | 251,972 |
| Employee Benefits | 36,364 | 6,998 | - | 438 | 43,800 |
| Supplies & General Expense | 31,247 | 37,260 | - | | 68,507 |
| Travel | | | - | | - |
| Marketing Costs | | | - | | - |
| Rentals & Leases | | | - | | - |
| Insurance/Risk Mgmt. | | | - | | - |
| Contracted Services | 581,998.53 | 17,746.36 | - | | 599,745 |
| Utilities | | | - | | - |
| Other Departmental Expenses | 352,848 | 134,450.50 | - | | 487,299 |
| Instructional & Other Materials | | | - | | - |
| Maintenance & Repair | | | - | | - |
| Transfers/Debt | | | - | | - |
| Capital Outlay | | | - | | - |
| Scholarship Distribution | | | - | 1,479,160 | 1,479,160 |
| Total Expenses | <u>1,157,056</u> | <u>249,759</u> | <u>-</u> | <u>1,523,668</u> | <u>2,930,483</u> |
| Contribution to Fund Balance | <u>\$ 1,392,564</u> | <u>\$ (93,601)</u> | <u>\$ 619,850</u> | <u>\$ (1,523,668)</u> | <u>395,145</u> |
| Beginning Fund Balance, Audited | | | | | <u>19,421,438</u> |
| Ending Fund Balance | | | | | <u>\$ 19,816,584</u> |

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

HOUSTON CITY COLLEGE
Auxiliary Revenues and Expenses By Fund
As of February 28, 2026

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 | \$ - | \$ - | \$ - | \$ 915,894 | \$ 709,920 | \$ 1,625,815 | \$ 4,951,443 |
| Expenses | | | | | | | |
| Salaries | - | - | - | 61,261 | 210,502 | 271,763 | 523,735 |
| Employee Benefits | - | - | - | 3,170 | 50,765 | 53,935 | 97,735 |
| Supplies & General Expense | 20,498 | 20,498 | - | 221,539 | 45,664 | 267,203 | 356,207 |
| Travel | - | - | - | - | - | - | - |
| Marketing Costs | - | - | - | - | - | - | - |
| Rentals & Leases | - | - | - | - | - | - | - |
| Insurance/Risk Mgmt. | - | - | - | - | - | - | - |
| Contracted Services | - | - | - | 22,626 | 31,085 | 53,711 | 653,456 |
| Utilities | - | - | - | - | - | - | - |
| Other Departmental Expenses | 2,586 | 2,586 | - | 42,059.01 | 38,935 | 80,994 | 570,878 |
| Instructional & Other Materials | - | - | - | - | - | - | - |
| Maintenance & Repair | - | - | - | - | - | - | - |
| Transfers/Debt | - | - | - | - | - | - | - |
| Capital Outlay | - | - | - | - | - | - | - |
| Scholarship Distribution | - | - | - | - | - | - | 1,479,160 |
| Total Expenses | 23,084 | 23,084 | - | 350,654 | 376,951 | 727,605 | 3,681,172 |
| Contribution to Fund Balance | (23,084) | (23,084) | - | 565,241 | 332,970 | 898,210 | 1,270,271 |
| Beginning Fund Balance, Audited | | 1,399,422 | (1,284,080) | 2,083,297 | 1,985,018 | 2,784,235 | 23,605,095 |
| Ending Fund Balance | \$ 1,376,338 | | \$ (1,284,080) | \$ 2,648,538 | \$ 2,317,987 | \$ 3,682,445 | \$ 24,875,367 |

HOUSTON CITY COLLEGE
Unrestricted Adjusted Budgets and Actuals by Division - Summary Comparison
As of February 28, 2026
50% of Year

| Division | FY 2026 Adjusted Budget | Actuals as of February 28, 2026 | % Spent | FY 2025 Adjusted Budget | Actuals as of February 28, 2025 | % Spent |
|--|------------------------------------|--|----------------|------------------------------------|--|----------------|
| Central College | \$ 16,466,315 | \$ 8,251,860 | 50.1% | \$ 15,539,716 | 7,390,083 | 47.6% |
| Northwest College | 20,276,599 | 9,888,342 | 48.8% | 19,355,815 | 8,620,548 | 44.5% |
| Northeast College | 18,555,767 | 9,426,194 | 50.8% | 17,310,235 | 8,491,457 | 49.1% |
| Southwest College | 17,609,201 | 9,264,741 | 52.6% | 16,310,691 | 8,275,138 | 50.7% |
| Southeast College | 18,550,440 | 9,681,072 | 52.2% | 17,927,699 | 9,346,887 | 52.1% |
| Coleman College | 23,849,101 | 11,075,866 | 46.4% | 22,394,215 | 10,465,334 | 46.7% |
| Academic Instruction | 85,685,166 | 46,177,840 | 53.9% | 83,493,675 | 43,762,814 | 52.4% |
| Office of the Chancellor | 12,275,474 | 5,389,544 | 43.9% | 11,529,289 | 5,070,829 | 44.0% |
| Instructional Services | 27,139,049 | 8,892,563 | 32.8% | 19,174,022 | 6,946,067 | 36.2% |
| Online College | 3,560,437 | 1,662,987 | 46.7% | 3,289,462 | 1,493,370 | 45.4% |
| Student Services | 11,076,321 | 4,169,557 | 37.6% | 11,759,732 | 3,990,404 | 33.9% |
| Strategy, Planning & Institutional Effectiveness | 5,216,148 | 2,034,785 | 39.0% | 5,448,665 | 2,122,969 | 39.0% |
| External & Governmental Relations, Transfers and Alumni Relations | 2,317,671 | 878,592 | 37.9% | 2,236,566 | 687,018 | 30.7% |
| Legal & Compliance | 19,123,827 | 10,691,940 | 55.9% | 17,647,432 | 6,895,255 | 39.1% |
| Finance & Accounting | 71,610,587 | 32,679,271 | 45.6% | 75,925,176 | 38,152,161 | 50.2% |
| System | 113,016,270 | 52,954,541 | 46.9% | 121,886,061 | 43,173,500 | 35.4% |
| Grand Total | \$ 474,907,260 | \$ 226,139,555 | 47.6% | \$ 467,949,237 | \$ 207,612,948 | 44.4% |

HOUSTON CITY COLLEGE

Balance Sheet by Fund

As of February 28, 2026

| | CURRENT & LOAN FUNDS ¹ | PLANT & BOND FUNDS ² | TOTAL ALL FUNDS | PRIOR YEAR TOTAL ALL FUNDS |
|--|--------------------------------------|------------------------------------|-------------------------|-------------------------------|
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash & cash equivalents | \$ 233,531,329 | \$ 127,936,783 | \$ 361,468,112 | \$ 222,525,282 |
| Accounts receivable (net) | 51,058,562 | 3,149,763 | 54,208,325 | 33,361,251 |
| Deferred charges | 25,094 | - | 25,094 | 12,374,580 |
| Prepays | 8,069,454 | - | 8,069,454 | 9,098,114 |
| Total Current Assets | 292,684,439 | 131,086,546 | 423,770,985 | 277,359,227 |
| Non-current Assets: | | | | |
| Restricted cash & cash equivalents | - | 24,157,393 | 24,157,393 | 34,810,115 |
| Restricted long-term investments | - | 15,625 | 15,625 | - |
| Long-term investments | 271,460,192 | - | 271,460,192 | 219,554,291 |
| Long-term lease receivable | 18,734,515 | - | 18,734,515 | 18,241,761 |
| Capital assets, net | 9,020,405 | 1,115,915,354 | 1,124,935,759 | 1,134,300,351 |
| Total Non-current Assets | 299,215,112 | 1,140,088,372 | 1,439,303,484 | 1,406,906,518 |
| Total Assets | \$ 591,899,551 | \$ 1,271,174,918 | \$ 1,863,074,469 | \$ 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 | \$ 624,407,667 | \$ 1,272,475,644 | \$ 1,896,883,311 | \$ 1,718,074,587 |
| LIABILITIES | | | | |
| Current Liabilities: | | | | |
| Accounts payable | 23,988,721 | 196,922 | 24,185,643 | 17,734,123 |
| Accrued Interest- SBITA | 466,208 | - | 466,208 | 466,208 |
| Accrued liabilities | 741,357 | 39,462 | 780,819 | 8,552,333 |
| Compensated absences | 15,972,276 | - | 15,972,276 | 15,972,276 |
| Funds held for others | 2,035,408 | 189,209 | 2,224,617 | 841,776 |
| Deferred revenue | 795,520 | - | 795,520 | 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 | - | 12,600,000 | 12,600,000 | 37,570,000 |
| Total Current Liabilities | 53,444,304 | 13,753,626 | 67,197,930 | 124,430,213 |
| Non-current Liabilities: | | | | |
| SBITA Liability | 3,120,956 | - | 3,120,956 | 3,120,956 |
| Net OPEB liability | 137,226,159 | - | 137,226,159 | 137,226,159 |
| Net pension liability | 91,994,941 | - | 91,994,941 | 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 | \$ 285,786,360 | \$ 488,642,248 | \$ 774,428,608 | \$ 831,660,891 |
| Deferred Inflows of Resources: | | | | |
| Leases | 20,011,367 | - | 20,011,367 | 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 | \$ 68,385,112 | \$ 8,356,137 | \$ 76,741,249 | \$ 77,958,157 |
| Total Liabilities and Deferred Inflows of Resources | \$ 354,171,472 | \$ 496,998,385 | \$ 851,169,857 | \$ 909,619,048 |
| Fund Balance | \$ 306,113,191 | \$ 782,532,670 | \$ 1,088,645,861 | 852,604,854 |
| Beginning Fund Balances, Audited | 71,542,029 | 736,913,510 | 808,455,539 | 734,321,025 |
| Net Revenue/(Expenses) | | | | |
| Unrestricted | 192,306,834 | - | 192,306,834 | (24,597,751) |
| Restricted | 6,387,332 | - | 6,387,332 | 674,395 |
| Net Investment in Plant | - | 38,563,749 | 38,563,749 | 98,057,870 |
| Ending Fund Balances | \$ 270,236,195 | \$ 775,477,259 | \$ 1,045,713,454 | \$ 808,455,539 |
| Total Liabilities & Fund Balances | \$ 624,407,667 | \$ 1,272,475,644 | \$ 1,896,883,311 | \$ 1,718,074,587 |

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 February 28, 2026

| | FY 2025 | | FY 2026 | | Actuals % Increase/ (Decrease)YTD vs. Prior YTD |
|--|--|---|---|---|--|
| | Prior Year Activity thru 8/31/2025 | Year-to-Date Activity thru 02/28/2025 | Year-to-Date Activity thru 02/28/2026 | Year-to-Date Activity thru 02/28/2026 | |
| Tuition & Fees | | | | | |
| Budget: | | | | | |
| Adjusted Budget, Annual* | \$ 126,237,802 | \$ 108,425,251 | \$ 114,395,960 | | 5.5% |
| Revenues: | | | | | |
| Gross Tuition & Fees | 151,515,167 | 126,856,929 | 140,194,822 | | 10.5% |
| Waivers & Exemptions: | | | | | |
| Dual Credit & Early College HS | (19,222,225) | (16,296,084) | (21,428,751) | | 31.5% |
| Other | (2,947,494) | (2,135,594) | (2,599,742) | | 21.7% |
| Total Waivers & Exemptions | (22,169,719) | (18,431,678) | (24,028,493) | | 30.4% |
| Total Tuition & Fees Revenue, Net | \$ 129,345,448 | \$ 108,425,251 | \$ 116,166,329 | | 7.1% |

| Tuition & Fees - Extended Learning (EL) | | | | | |
|--|---------------------|---------------------|---------------------|--|--------------|
| Budget: | | | | | |
| Adjusted Budget, Annual* | \$ 7,885,993 | \$ 5,590,195 | \$ 7,609,984 | | 36.1% |
| Revenues: | | | | | |
| Gross Tuition & Fees | 8,435,498 | 5,590,195 | 6,250,672 | | 11.8% |
| Waivers & Exemptions: | | | | | |
| Department of Corrections | - | - | - | | 0.0% |
| Total EL Tuition & Fees Revenue, Net | \$ 8,435,498 | \$ 5,590,195 | \$ 6,250,672 | | 11.8% |

| | FY 2025 | | FY 2026 | | Actuals % Increase/ (Decrease)YTD vs. PriorYTD |
|---|--|---|---|---|---|
| | Prior Year Activity thru 8/31/2025 | Year-to-Date Activity thru 02/28/2025 | Year-to-Date Activity thru 02/28/2026 | Year-to-Date Activity thru 02/28/2026 | |
| Exemptions & Waivers | | | | | |
| Dual Credit & Early College HS Waiver | 19,222,225 | 16,296,084 | 21,428,751 | | 31.5% |
| Other Exemptions: | | | | | |
| Employee Fee Exemptions | 46,164 | 34,504 | 43,275 | | 25.4% |
| Firemen | 43,929 | 33,906 | 20,449 | | -39.7% |
| Hazelwood | 1,265,115 | 974,019 | 1,089,908 | | 11.9% |
| Deaf & Blind | 141,103 | 116,930 | 123,025 | | 5.2% |
| High Ranking High School Grad | 1,364 | 1,364 | - | | -100.0% |
| Good Neighbor Program | 104,266 | 67,527 | 30,998 | | -54.1% |
| Child of Disabled Vet | 2,817 | 2,642 | 3,501 | | 32.5% |
| Employee of State College & University | 4,703 | 4,275 | 1,283 | | -70.0% |
| Non-resident Teach/Research Assistant | 10,602 | 3,506 | 12,291 | | 250.6% |
| Non-resident Competitive Scholarships | 6,555 | 6,555 | 8,835 | | 34.8% |
| Senior Citizens | 445,900 | 349,269 | 478,186 | | 36.9% |
| Misc Tuition/Fees Waivers | - | - | 369 | | 100.0% |
| Department of Corrections | - | - | 780 | | |
| Concurrent Enrollment | 222 | - | - | | 100.0% |
| Foster Children-Resident | 301,126 | 221,437 | 287,467 | | 29.8% |
| TX Tomorrow Waiver | 277 | 278 | - | | 100.0% |
| Surviving Spouse/Children | - | - | 1,146 | | 100.0% |
| Peace Officer Exemption | 16,211 | 9,108 | 17,573 | | 92.9% |
| Adopted Student Waiver | 357,878 | 285,545 | 308,668 | | 8.1% |
| FAST Book & OD Fees | 199,262 | 24,729 | 171,988 | | 595.5% |
| Total Other Exemptions | 2,947,494 | 2,135,594 | 2,599,742 | | 21.7% |
| Grand Total Exemptions & Waivers | \$ 22,169,719 | \$ 18,431,678 | \$ 24,028,493 | | 30.4% |

*Amount net of exemptions & waivers.

REPORT ITEM

Meeting Date: April 1, 2026

Topics For Discussion and/or Action:

| ITEM # | ITEM TITLE | PRESENTER |
|-----------|--|--|
| B. | Budget Workshop #3: 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 provide a review of the draft proposed operating and non-operating budgets for the new fiscal year. The presentation incorporates revenue projections, known commitments, and new funding requests into the draft FY27 budget.

Feedback from the Board will be utilized to further refine the budget prior to presentation of a final budget to the Board for consideration and approval. The budget adoption is scheduled to 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#3: Overview of FY2027 Budgets | 3/25/2026 | Presentation |

This item is applicable to the following: District



Budget Workshop #3

Overview of Preliminary FY27 Operating Budget

Dr. Margaret Ford Fisher, Chancellor

Robert McCracken, VC Administration & Operations

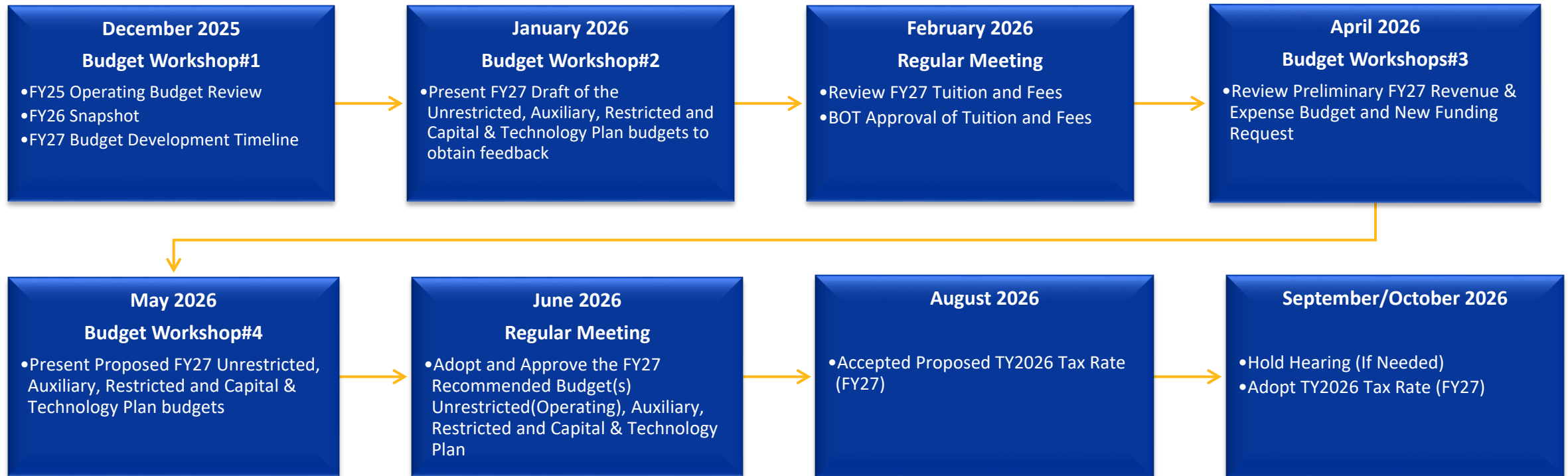
Dawn Stephens, Interim AVC, Finance & Accounting

April 1, 2026

Agenda

- FY27 Budget Development Timeline
- FY27 Revenue Components
- FY27 Expense Components
- FY27 Operating Budget Scenarios
- FY27 Non-Operating Budgets
- Proposed Contingency Plan

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



REVENUE COMPONENTS

State Appropriations – Outcomes Trend

| Award Type | Rates | Weighted Outcome Completions (greater of most recent or three-year average) | | | |
|--|----------|--|---------------|---------------|---------------|
| | | FY24 | FY25 | FY26* | FY27 |
| Dual Credit & GAI | | | | | |
| 15 SCH Dual Credit | \$ 3,500 | 2,379 | 2,523 | 2,834 | 2,834 |
| GAI Transfer with 15 SCH | \$ 3,500 | 5,573 | 4,845 | 5,393 | 5,393 |
| GAI Co-enrollment with 15 SCH | \$ 3,500 | - | 68 | 70 | 70 |
| Total Dual Credit & GAI Outcomes | | 7,952 | 7,436 | 8,297 | 8,297 |
| Standard | | | | | |
| Institutional Credential leading to Licensure | \$ 1,000 | 583 | 455 | 237 | 237 |
| Occupational Skills Award | \$ 1,000 | 305 | 200 | 43 | 43 |
| Certificate I or II | \$ 1,750 | 990 | 1,009 | 990 | 990 |
| Advanced Technical Certificate | \$ 1,750 | - | 1 | 8 | 8 |
| Associate Degree | \$ 3,500 | 6,146 | 6,120 | 5,725 | 5,725 |
| Bachelor's Degree | \$ 3,500 | - | - | - | - |
| Total Standard Outcomes | | 8,023 | 7,785 | 7,003 | 7,003 |
| High-Demand | | | | | |
| Institutional Credential leading to Licensure: High-Demand Field | \$ 1,250 | 542 | 717 | 798 | 798 |
| Occupational Skills Award: High-Demand Field | \$ 1,250 | 1,250 | 1,284 | 1,380 | 1,380 |
| Certificate I or II: High-Demand Field | \$ 3,500 | 1,027 | 1,195 | 2,176 | 2,176 |
| Advanced Technical Certificate: High-Demand Field | \$ 3,500 | 39 | 39 | 19 | 19 |
| Associate Degree: High-Demand Field | \$ 4,500 | 1,813 | 1,111 | 1,411 | 1,411 |
| Bachelor's Degree: High-Demand Field | \$ 4,500 | - | - | - | - |
| Total High-Demand Outcomes | | 4,670 | 4,347 | 5,784 | 5,784 |
| Premium | | | | | |
| CoV Premium: Certificate | \$ 437 | 90 | 102 | 105 | 105 |
| CoV Premium: Associate | \$ 875 | 304 | 283 | 347 | 347 |
| CoV Premium: Bachelor's | \$ 875 | - | - | - | - |
| Total Premium Outcomes | | 394 | 385 | 452 | 452 |
| Total Outcomes | | 21,039 | 19,954 | 21,536 | 21,536 |

*Source: CCF FY26 Funding Model Final_10142026-2, subject to change based on dynamic adjustment

State Appropriations Funding - Performance Tier, Special Funding and FAST

In Thousands

| Category | FY24 | FY25 | FY26* | FY27 |
|--|------------------|------------------|------------------|------------------|
| Dual Credit and GAI | | | | |
| 15 SCH Dual Credit | \$ 3,426 | \$ 9,758 | \$ 9,919 | \$ 9,919 |
| GAI Transfer with 15 SCH | 20,458 | 18,013 | 18,875 | 18,875 |
| GAI Co-enrollment with 15 SCH | - | 247 | 246 | 246 |
| Total Dual Credit and GAI | \$ 23,884 | \$ 28,018 | \$ 29,040 | \$ 29,040 |
| Standard | | | | |
| Institutional Credential leading to Licensure | 462 | 237 | 237 | 237 |
| Occupational Skills Award | 191 | 86 | 43 | 43 |
| Certificate I or II | 1,589 | 3,101 | 1,733 | 1,733 |
| Advanced Technical Certificate | - | 11 | 10 | 10 |
| Associate Degree | 22,684 | 22,401 | 20,036 | 20,036 |
| Bachelor's Degree | - | - | - | - |
| Total Standard | \$ 24,925 | \$ 25,836 | \$ 22,060 | \$ 22,060 |
| High-Demand | | | | |
| Institutional Credential leading to Licensure: High-Demand Field | 744 | 996 | 997 | 997 |
| Occupational Skills Award: High-Demand Field | 1,034 | 1,678 | 1,725 | 1,725 |
| Certificate I or II: High-Demand Field | 3,577 | 5,038 | 7,615 | 7,615 |
| Advanced Technical Certificate: High-Demand Field | 113 | 83 | 65 | 65 |
| Associate Degree: High-Demand Field | 8,394 | 5,958 | 6,350 | 6,350 |
| Bachelor's Degree: High-Demand Field | - | - | - | - |
| Total High-Demand | \$ 13,862 | \$ 13,753 | \$ 16,752 | \$ 16,752 |
| Premium | | | | |
| CoV Premium: Certificate | - | - | 46 | 46 |
| CoV Premium: Associate | - | - | 304 | 304 |
| CoV Premium: Bachelor's | - | - | - | - |
| Total Premium | \$ - | \$ - | \$ 350 | \$ 350 |
| Special Disbursement & FY25 Projected Settle-Up | - | - | 2,031 | 2,031 |
| Total Performance Funding | \$ 62,671 | \$ 67,607 | \$ 70,232 | \$ 70,232 |
| Special Funding: Regional Resiliency Occupational Center (RROC) | 1,188 | 1,188 | 1,188 | 1,188 |
| FAST Dual Credit ¹ | 4,448 | 4,860 | 5,152 | 5,152 |
| Total State Appropriations | \$ 68,306 | \$ 73,655 | \$ 76,572 | \$ 76,572 |

¹FAST is estimated

*Source: CCF FY26 Funding Model Final_10142026-2, subject to change based on dynamic adjustment

Technology Fee Expenditures

A technology fee is charged to students for the purchase, replacement and maintenance of technology and instructional equipment, to promote and ensure technology readiness, provide sustained support for teaching and learning, and administrative functions. These funds have been instrumental in supporting the Centers of Excellence and providing state-of-the-art learning opportunities.

Below is a sample list of expenditures supported by Tech Fees and related to Information Technology upgrades, security, infrastructure, instructional, and replacements identified in Fund 1 and Fund 7

In Thousands

| Fund | Expenditures | FY27 Projections |
|---|--|------------------|
| 1110 | IT Instructional and Other Materials | \$ 3,853 |
| 1110 | IT Software, Subscriptions, Licenses and Equipment | 18,387 |
| 7180 | Upgrade/Replacement of IT Equipment | 21,342 |
| 7181 | Upgrade/Replacement of Security Technology | 316 |
| 7182 | Upgrade/Replacement of Instructional Equipment | 2,640 |
| 1110 | Debt - Bond Revenue Interest* | 5,438 |
| Total of Sample IT Expenditures | | \$ 51,976 |
| FY27 Forecasted Tech Fee Revenue | | \$ 30,598 |
| % of Expenditures covered by Tech Fee (Est.) | | 59% |

*Debt - Bond Revenue Interest per the Debt schedule

Tuition & Fees Estimates

FY27 estimates compared to FY26 EOY projections

In Thousands

| | FY25 EOY Actuals | FY26 EOY Projection | %Chg | FY27 5% Inc | %Chg |
|--|------------------------|---------------------------|------------|--------------------|-----------|
| Tuition | | | | | |
| Tuition --SCH | \$ 85,318 | \$ 95,127 | 11% | \$ 99,883 | 5% |
| Tuition -- CEU/Non Credit | 8,409 | 9,419 | 12% | 9,890 | 5% |
| Total Tuition | \$ 93,727 | \$ 104,546 | 12% | \$ 109,773 | 5% |
| Fees | | | | | |
| Fees -- SCH | \$ 66,197 | \$ 72,182 | 9% | \$ 75,791 | 5% |
| Fees -- CEU/Non Credit | 27 | 42 | 56% | 44 | 5% |
| Total Fees | \$ 66,224 | \$ 72,224 | 9% | \$ 75,835 | 5% |
| Tech Fee Rate (Reduce by \$5) | - | - | | - | |
| Total Fee with Tech Fee Reduction | \$ 66,224 | \$ 72,224 | 9% | \$ 75,835 | 5% |
| Exemptions & Waivers | \$ (22,170) | \$ (27,884) | 26% | \$ (29,056) | 4% |
| Total | \$ 137,781 | \$ 148,886 | 8% | \$ 156,552 | 5% |

FY27 Proposed Tax Revenue

| | PROPERTY VALUE | EXEMPTIONS | TAX RATE | M&O RATE DEBT RATE | TAX COLLECTION RATE | GROWTH IN BASE PROPERTY | Financial Impacts |
|----------------|----------------|---|------------|---------------------------------------|---------------------|-------------------------|--------------------------|
| Current | 2.70% | Over 65, Disabled, \$135K Homestead Exemption greater of \$5K or 17% of Appraised Value | \$0.098802 | M&O - \$0.085585 DEBT - \$0.013217 | 96.74% | \$7.7B | Rev equal to Budget Plan |

| | PROPERTY VALUE INCREASE | EXEMPTIONS | MAINTAIN TAX RATE AS DEBT RATES DECREASES | INCREASE M&O AS DEBT DECREASES | TAX COLLECTION RATE | GROWTH IN BASE PROPERTY | Financial Impacts |
|---------------|-------------------------|---|---|---------------------------------------|---------------------|-------------------------|---|
| OPTION | 2.00% | Over 65, Disabled, \$135K Homestead Exemption greater of \$5K or 17% of Appraised Value | \$0.098802 | M&O - \$0.086614 DEBT - \$0.012188 | 96.74% | Increase \$5.9B | Rev Chg of Prior Yr Increase \$8M, 3.2% |



EXPENSE COMPONENTS

Operating Expense – Annual Compensation Recommendation

(In Thousands)

| 1. COLA IMPACTS - SALARIES | | FY26 BUDGET | FY27 COLA% | FY27 Compensation Recommendation | %Chg |
|----------------------------|--------------------------|-------------------|---------------|--|------|
| FACULTY | FT | \$ 82,777 | 3.5% | \$ 85,675 | |
| | PT (INCL ADJUNCT) | 34,923 | 2.0% | 35,846 | |
| | PT (INC ADJUNCT BUDGETS) | | | 11,220 | |
| LIBRARIAN | FT | 3,648 | 3.5% | 3,776 | |
| | PT | 521 | 2.0% | 531 | |
| STAFF | FT | 139,354 | 3.5% | 144,540 | |
| | PT | 9,050 | 2.0% | 9,231 | |
| SUB-TOTAL | | \$ 270,273 | | \$ 290,819 | |
| 2. BENEFITS | | \$ 39,768 | | \$ 41,032 | |
| GRAND TOTAL | | \$ 310,041 | | \$ 331,851 | |

*Faculty PT includes an increase based on enrollment increases

FY27 Proposed Known Commitments

(In Thousands)
 Known Commitments are requests for funding due to law, existing contract, accreditation affiliations and/or prior ongoing initiatives

| Expense Type | Personnel | |
|-----------------------------------|-----------|------------------|
| | Count | Amount |
| Faculty FT | 34 | \$ 2,170 |
| Faculty PT | | 2,104 |
| Staff FT | 1 | 50 |
| Staff PT | | 11 |
| Supplies & Gen | | 72 |
| Travel | | 13 |
| Marketing Costs | | 27 |
| Insurance/Risk Mgmt | | 1,260 |
| Contracted Services | | 4,315 |
| Other Departmental Expenses | | 7 |
| Instructional and Other Materials | | 1,727 |
| Maintenance and Repair | | 24 |
| Capital Outlay | | 120 |
| Total Known Commitment | 35 | \$ 11,900 |

| Division | Personnel | |
|---|-----------|-----------------|
| | Count | Amount |
| Central College | 1 | \$ 53 |
| Northwest College | | 21 |
| Northeast College | 2 | 197 |
| Southwest College | | 50 |
| Coleman College | 2 | 300 |
| Chancellor | | 36 |
| SVC Instructional Services | 30 | 5,471 |
| VC Student Services | | 10 |
| VC Strategy, Planning & Institutional Effectiveness | | 72 |
| Legal & Compliance | | 1,260 |
| SVC Finance & Administration | | 4,410 |
| VC Strategic Marketing & Communications | | 20 |
| Total Known Commitment | 35 | \$11,900 |

FY27 Proposed New Funding Request

(In Thousands)

A request for new personnel and/or new operational funds to support new (or expand existing) initiatives regarding personnel and/or operational cost increases. This type of request includes activities which may have been discussed administratively, but for which dedicated funding does not exist.

| Expense Type | Personnel Count | Amount |
|----------------------------------|-----------------|-----------------|
| Faculty FT | 13 | \$ 1,112 |
| Staff FT | 18 | 2,279 |
| Staff PT | | 188 |
| Employee Benefits | | 466 |
| Supplies & Gen | | 8 |
| Travel | | 20 |
| Marketing Costs | | 20 |
| Contracted Services | | 684 |
| Other Departmental Expenses | | 1,233 |
| Capital Outlay | | 1,121 |
| Total New Funding Request | 31 | \$ 7,131 |

| Division | Personnel Count | Amount |
|----------------------------------|-----------------|-----------------|
| Central College | 1 | \$ 24 |
| Northwest College | 1 | 69 |
| Northeast College | 1 | 88 |
| Southwest College | 5 | 597 |
| Southeast College | 10 | 1,134 |
| Coleman College | 4 | 390 |
| Chancellor | | 2,000 |
| Online College | 9 | 914 |
| VC Student Services | | 234 |
| SVC Finance & Administration | | 1,681 |
| Total New Funding Request | 31 | \$ 7,131 |

FY27 Proposed Known Commitments and New Funding Requests by Category

(In Thousands)

Known Commitments

| Category | Personnel Count | Amount |
|-------------------------------|-----------------|------------------|
| Contract Increase | | \$ 2,282 |
| Law/Manadate/Accreditation | | 11 |
| Marketing & Communication | | 51 |
| New Faculty | 34 | 4,274 |
| New Staff | 1 | 50 |
| Preventive Maintenance | | 298 |
| Program Expansion | | 1,600 |
| Risk Management | | 1,496 |
| Student Support | | 58 |
| Supplies/Equipment | | 1,771 |
| Travel | | 9 |
| Total Known Commitment | 35 | \$ 11,900 |

New Funding

| Category | Personnel Count | Amount |
|----------------------------------|-----------------|-----------------|
| New Faculty | 13 | \$ 1,183 |
| New Staff | 18 | 2,395 |
| Employee Benefits | | 466 |
| Institutional Experience | | 1,684 |
| Marketing & Communication | | 20 |
| Student Experience/Instruction | | 1,233 |
| Student Support | | 8 |
| Supplies/Equipment | | 122 |
| Travel | | 20 |
| Total New Funding Request | 31 | \$ 7,131 |

FY27 Major Operating Expenses

In Thousands

| Description | Total |
|---|------------------|
| REQ #403-ICB1-Technology Replacement Plan | \$ 9,277 |
| REQ #436-C281-Deferred Maintenance | 15,000 |
| Total Requested Major Operating Expenses | \$ 24,277 |

Technology Replacement Plan:

- \$5.2M (\$2.6M for IT Upgrade/Replacement Plan and \$2.6M for tool kits) funded with Tech Fee revenue from the Operating Budget
- \$4M will be funded with Tech Fee Revenue from Capital & Technology Plan Budget

Deferred Maintenance:

- Funded from Operating Budget, \$15M



FY27 PRELIMINARY OPERATING BUDGET

FY27 Preliminary Operating (Unrestricted) Budget

In Thousands

Revenue:

- State Appropriations flat relative to FY26 EOY projections
- Ad Valorem Taxes
 - Tax revenue increase, 3% compared to PY
 - No change in Total Tax Rate
 - M&O tax rate would increase 1.2% (a total tax rate of \$.098802, same as prior year)
 - Assumes a 2% increase property values
- Tuition & Fees revenue
 - FY27 enrollment increase, 5% relative to EOY projections
- Other Local Income reduced in alignment with expected interest rate changes

Expenses:

- Compensation Recommendation
 - Salaries include COLA 3.5% increase for full-time faculty and staff, 2% for part-time faculty and staff and associated benefits
 - Increase in adjunct salary budget based on enrollment increases
- 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, \$11.9M and New Funding Requests, \$7.1M

Fund Balance Usage:

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

| Revenues | FY26 | | FY27 | | \$Chg | %Chg |
|--|-------------------|-------------|--------------------|-------------|------------------|-----------|
| | Adjusted Budget | % of Total | Preliminary Budget | % of Total | | |
| State Appropriations | \$ 72,938 | 15% | \$ 76,573 | 15% | \$ 3,635 | 5% |
| Ad Valorem Taxes | 242,337 | 51% | 250,157 | 49% | 7,820 | 3% |
| Tuition & Fees, Net | 122,006 | 26% | 156,553 | 31% | 34,547 | 28% |
| Other Local Income | 20,056 | 4% | 17,205 | 3% | (2,851) | -14% |
| Total Operating Revenue | \$ 457,337 | 96% | \$ 500,488 | 98% | \$ 43,151 | 9% |
| Fund Balance Use | 17,570 | 4% | 10,444 | 2% | (7,126) | -41% |
| Total Revenue Plus Fund Balance Use | \$ 474,907 | 100% | \$ 510,932 | 100% | \$ 36,025 | 8% |

| Expenses | FY26 | | FY27 | | \$Chg | %Chg |
|---------------------------------|-------------------|------------|--------------------|------------|------------------|-----------|
| | Adjusted Budget | % of Total | Preliminary Budget | % of Total | | |
| Salaries | \$ 270,571 | 57% | \$ 290,819 | 57% | \$ 20,248 | 7% |
| Allowance for Vacancies | (7,000) | -1% | (7,000) | -1% | - | 0% |
| Benefits | 39,768 | 8% | 41,033 | 8% | 1,265 | 3% |
| Other (Non-Payroll) | 116,547 | 25% | 116,547 | 23% | - | 0% |
| Transfers | 4,131 | 1% | 4,302 | 1% | 171 | 4% |
| Debt Service | 16,791 | 4% | 14,470 | 3% | (2,321) | -14% |
| Scholarships | 1,055 | 0% | 1,055 | 0% | - | 0% |
| IT/Network Infrastructure | 7,600 | 2% | 5,231 | 1% | (2,369) | -31% |
| Deferred Maintenance | 7,874 | 2% | 15,000 | 3% | 7,126 | 91% |
| Known Commitment | - | 0% | 11,900 | 2% | 11,900 | 100% |
| New Funding Request | - | 0% | 7,131 | 1% | 7,131 | 100% |
| Total Operating Expenses | \$ 457,337 | 96% | \$ 500,488 | 98% | \$ 43,151 | 9% |

| Fund Balance Usage | FY26 | | FY27 | | \$Chg | %Chg |
|---------------------------------|------------------|------------|--------------------|------------|-------------------|-------------|
| | Adjusted Budget | % of Total | Preliminary Budget | % of Total | | |
| Deferred Maintenance | \$ 7,126 | 2% | \$ - | 0% | (7,126) | -100% |
| Houston Reconnect | 9,443 | 2% | 9,444 | 2% | - | 0% |
| Connect 2 Workforce | 1,000 | 0% | 1,000 | 0% | - | 0% |
| Total Fund Balance Usage | \$ 17,570 | 4% | \$ 10,444 | 2% | \$ (7,126) | -41% |

| | | | | | | |
|--|-------------------|-------------|-------------------|-------------|------------------|-----------|
| Total Operating plus Fund Balance Usage | \$ 474,907 | 100% | \$ 510,932 | 100% | \$ 36,025 | 8% |
|--|-------------------|-------------|-------------------|-------------|------------------|-----------|

| | | |
|------------------------------|-------------|-------------|
| Net Revenue/(Expense) | \$ - | \$ - |
|------------------------------|-------------|-------------|

Note: Summaries on Slides 21

FY27 Preliminary Operating (Unrestricted) Budget - Summary

Side-by-side view of all revenue and expense budget with revenue mix

In Thousands

| | Operating Revenues | | | | | Fund Balance Usage | Total Revenue and Fund Balance Usage | Revenue Mix |
|-----------------------------------|----------------------|------------------|---------------------|--------------------|-------------------------|--------------------|--------------------------------------|--|
| | State Appropriations | Ad Valorem Taxes | Tuition & Fees, Net | Other Local Income | Total Operating Revenue | | | |
| FY26 Budget (Current Year) | \$ 72,938 | \$ 242,337 | \$ 122,006 | \$ 20,056 | \$ 457,337 | \$ 17,570 | \$ 474,907 | |
| FY27 Preliminary Budget | \$ 76,573 | \$ 250,157 | \$ 156,553 | \$ 17,205 | \$ 500,488 | \$ 10,444 | \$ 510,932 | Flat Rate/\$8M Tax Rev; +5% Tuition&Fee; \$10M Eagle Connect |

In Thousands

| | Operating Expenses | | | | | | | | Fund Balance Usage | | | | Total Operating Expenses and Fund Balance Usage | |
|-----------------------------------|--------------------|---------------------|-----------|--------------|--------------|----------------------------|-------------------------------|--|--------------------------|----------------------|-------------------|---------------------|---|--------------------------|
| | Salary & Benefits | Other (Non-Payroll) | Transfers | Debt Service | Scholarships | IT Network/ Infrastructure | Deferred Maintenance from Ops | Known Commitment/ New Funding Requests | Total Operating Expenses | Deferred Maintenance | Houston Reconnect | Connect 2 Workforce | | Total Fund Balance Usage |
| FY26 Budget (Current Year) | \$ 303,339 | \$ 116,547 | \$ 4,131 | \$ 16,791 | \$ 1,055 | \$ 7,600 | \$ 7,874 | \$ - | \$ 457,337 | \$ 7,126 | \$ 9,443 | \$ 1,000 | \$ 17,570 | \$ 474,907 |
| FY27 Preliminary | \$ 324,852 | \$ 116,547 | \$ 4,302 | \$ 14,470 | \$ 1,055 | \$ 5,231 | \$ 15,000 | \$ 19,031 | \$ 500,488 | \$ - | \$ 9,444 | \$ 1,000 | \$ 10,444 | \$ 510,932 |



FY27 PRELIMINARY NON-OPERATING BUDGETS

FY27 Preliminary Auxiliary Budget

Revenue:

- Fees include Student Activity and Athletic Fees estimated based on a 4% enrollment increase relative to year end projections
- Leases & Rentals remains relatively flat compared to prior year
- Bookstore Commissions are projected to increase for instructional items and is adjusted relative to end of year projections
- Other local income increased due to GASB 87 implementation
- Fund Balance Usage is related to Athletic and Student services requests to improve recreational sports, expand programming, purchase furniture, and other equipment

Expenses:

- Salaries and associated benefits include a 3.5% COLA increase for full-time staff; 2% increase for part-time staff and overall decrease due to salary savings from repurposed positions
- Non-Payroll expenses show an Increase due to changes in utilities rate and renovation of food service spaces system-wide
- Scholarship Distribution increased slightly due to the addition of the new Reading scholarship

In Thousands

| Description | FY26 Adjusted Budget | FY27 Preliminary Budget | \$Chg | %Chg |
|-------------------------------------|----------------------------|-------------------------------|----------|------|
| Revenue | | | | |
| Fees | \$ 1,703 | \$ 2,660 | \$ 957 | 56% |
| Leases & Rentals | 4,969 | 5,033 | 63 | 1% |
| Bookstore Commission | 1,300 | 1,437 | 137 | 11% |
| Other Local Income | 639 | 966 | 327 | 51% |
| Fund Balance Use | 1,214 | 819 | (395) | -33% |
| Total Auxiliary Revenues | \$ 9,825 | \$ 10,915 | \$ 1,090 | 11% |
| Expenses | | | | |
| Salaries | \$ 1,327 | \$ 1,277 | \$ (50) | -4% |
| Employee Benefits | 213 | 221 | 8 | 4% |
| Non-Payroll | 6,475 | 7,603 | 1,128 | 17% |
| Scholarship Distribution | 1,810 | 1,814 | 4 | 0% |
| Total Auxiliary Expenditures | \$ 9,825 | \$ 10,915 | \$ 1,090 | 11% |
| Net Revenue/(Expenses) | \$ - | \$ - | \$ - | |

FY27 Preliminary Restricted Budget

In Thousands

Revenue:

- Federal grants show a slight decrease in funding due to a net reduction in new grants replacing expiring grants
- State grants show a slight increase in Apprenticeship funding
- City/Other grants increase in funding due to new private grants received from HCC Foundation
- Student Financial Aid increased by \$22M for Pell grants due to increased enrollment
- State Funded Benefits increased in alignment with prior year actuals

Expenses:

- Student Services expense decreased 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 relative to prior year actuals

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

FY27 Preliminary Capital & Technology Plan Budget

In Thousands

| DESCRIPTION | Fund | FY26 | FY27 | \$Chg | %Chg |
|---|------|------------------|--------------------|-------------------|-------------|
| | | Approved Budget | Preliminary Budget | | |
| Upgrade/Replacement of IT Equipment | 7180 | \$ 3,479 | \$ 4,189 | \$ 710 | 20% |
| IT Upgrade/Replacement Plan Transfer from 1110 | 7180 | 7,600 | 5,230 | (2,370) | -31% |
| Total IT/Network Infrastructure Replacement Plan | | \$ 11,079 | \$ 9,419 | (1,660) | -15% |
| Upgrade/Replacement of Security Technology | 7181 | 392 | 472 | 80 | 20% |
| Upgrade/Replacement of Instructional Equipment | 7182 | 1,029 | 1,239 | 210 | 20% |
| Total Capital and Technology Plan plus Transfer | | \$ 12,500 | \$ 11,130 | \$ (1,370) | -11% |

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

FY27 IT/Technology Replacement Plan Request

In Thousands

| Description | Total |
|--|-----------------|
| IT/Network Infrastructure Replacement Plan | |
| 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 |
| Total IT/Network Infrastructure Replacement Plan | \$ 9,277 |

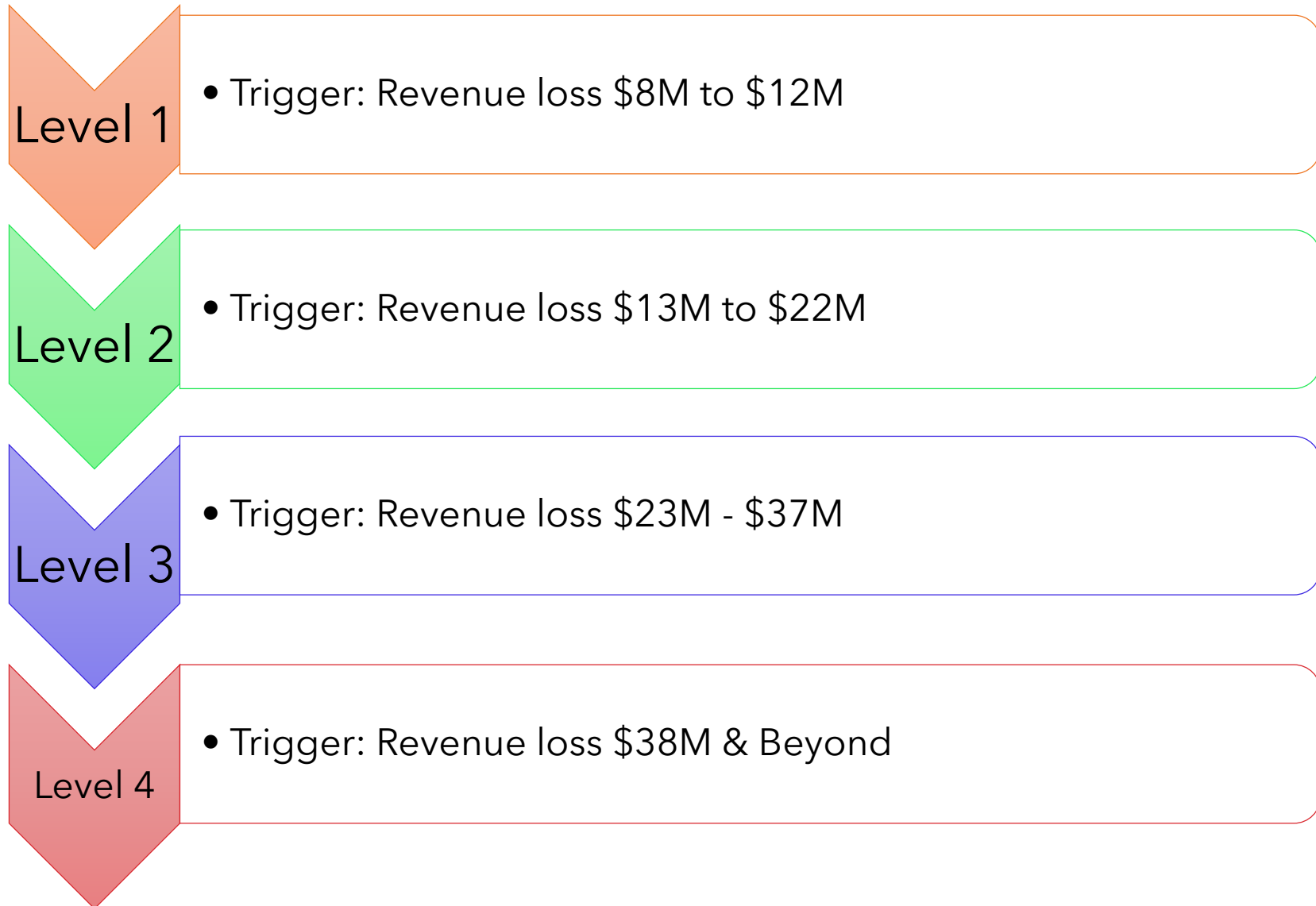


CONTINGENCY PLAN

HCC Financial Contingency Plan - Guiding Principles

- Sustain the focus on students and our educational mission and support services
- Meet compliance, legal or accreditation standards and requirements
- Optimize, standardize or centralize business processes or shared services
- Reallocate resources and reduce non-payroll costs to the extent possible
- Use reserves only as a last resort

HCC Financial Contingency Plan – Revenue Loss Levels



Contingency Plan Details

| Tactics | (\$8M) | (\$12M) | (\$18M) | (\$25M) |
|--|--------|---------|---------|---------|
| Delay hiring part-time staff | ✓ | ✓ | ✓ | |
| Delay hiring full-time faculty and full-time staff | ✓ | ✓ | ✓ | |
| Reduce part-time staff budget | ✓ | ✓ | ✓ | |
| Reduce Adjunct full-time use | ✓ | ✓ | ✓ | |
| Reduce non-payroll expenses | ✓ | ✓ | ✓ | |
| Delay projects or reduce non-revenue generating programs | | ✓ | ✓ | ✓ |
| Amend Budget/Reallocate resources | | | ✓ | ✓ |
| Employee Furlough | | | ✓ | ✓ |
| Reduction in Force | | | ✓ | ✓ |

Details Defined

| | Tactic | Description |
|-------------------------|---|--|
| Level 1 Tactics: | | |
| 1. | Delay filling vacancies | Vacancies not yet requisitioned to be put on a hiring pause |
| 2. | Maximize instructional efficiency (revenue generation/sustainability) | Develop instructional efficiency tactics by implementing strategies to maximize offerings and class size |
| 3. | Delay use of Deferred Maintenance Distribution | Utilize fund balance to cover operational deficits |
| Level 2 Tactics: | | |
| 4. | Delay hiring part-time staff | Delay hiring FT Faculty Thru (Date TBD) |
| 5. | Freeze Overtime for Staff | Eliminate Overtime for all staff |
| 6. | Reduce spending for Supplies & Gen, Other Departmental Expenses, Travel | Eliminate/minimize purchase of discretionary goods and services |
| Level 3 Tactics: | | |
| 7. | Delay hiring full-time staff | As vacancies occur, delay hiring FT Staff Thru (Date TBD) |
| 8. | Reduce Adjunct faculty use | Reduce adjunct faculty use based on decline in enrollment |
| 9. | Delay hiring full-time faculty | |
| 10. | Implement a 4-day workweek for 3 months (All Staff) | Temporary 4-day work week for all staff positions (Faculty excluded) |
| 11. | Freeze mileage and travel stipends | |

Thank You