

**COMMITTEE OF THE WHOLE
OF THE BOARD OF TRUSTEES
HOUSTON COMMUNITY COLLEGE**

May 7, 2025

Minutes

The Houston Community College Board of Trustees held a Committee of the Whole meeting on Wednesday, May 7, 2025, at the HCC Administration Building, 3100 Main, Second Floor Auditorium, Houston, Texas.

MEMBERS PRESENT

Laolu Davies, Vice Chair
Sean Cheben, Secretary
Cynthia Lenton-Gary
Renee Patterson
Monica Richart (via Videoconference)
Pretta VanDible Stallworth
Dave Wilson

CHANCELLOR COUNCIL

Margaret Ford Fisher, Chancellor
Rima Adil, Interim Vice Chancellor for Student Services
Andrea Burrridge, Vice Chancellor for Strategy, Planning, and Institutional Effectiveness
Jerome Drain, President, Online College
Michael Edwards, Office of the Ombudsman
Betty Fortune, Interim President, Northeast College
Frances Villagran-Glover, President, Southeast College
Lutricia Harrison, President, Coleman College
Sherry Hawn, Senior Vice Chancellor, Finance and Administration and Chief Finance and Building Operations
Edmond "Butch" Herod, President, Central College
Zachary Hodges, President, Northwest College
Warren Hurd, Vice Chancellor, Administrative Services
James Jackson, Interim Chief Information Officer, Information Technology
Bob McCracken, Vice Chancellor, Administration and Operations
Nicole Montgomery, Interim General Counsel
Rodney Nathan, Interim Vice Chancellor for Talent Engagement and Chief Human Resource Officer
Norma Perez, Senior Vice Chancellor for Instructional Services and Chief Academic Officer
Miguel Ramos, Vice Chancellor, Instructional Services
Karen Schmidt, Executive Director, HCC Foundation
James Walker, Interim Chief Facilities Officer
Michael Webster, President, Southwest College
Morgan Yette, Staff Senate President
Remmele Young, Vice Chancellor of External and Governmental Relations, Transfer and Alumni

Relations

OTHERS PRESENT

Melissa Mihalick, Board Counsel, Thompson and Horton, LLP

CALL TO ORDER

Trustee Laolu Davies, Vice Chair, called the meeting to order at 4:31 p.m. and declared the Board convened to consider matters of Houston Community College as listed on the duly posted Meeting Notice.

(The following Trustees were present: Cheben, Davies, Lenton-Gary, Patterson, Richart, VanDible Stallworth, and Wilson)

HEARING OF THE CITIZENS

No citizens requested to speak before the Board.

TOPICS FOR DISCUSSION AND/OR ACTION

MONTHLY INVESTMENT REPORT, FINANCIAL STATEMENT AND BUDGET REVIEW FOR MARCH 2025

Motion – Dr. Cynthia Lenton-Gary motioned, and Trustee Sean Cheben seconded.

Dr. Ford Fisher noted that the item is presented to accept the monthly investment report, Financial Statement, and Budget Review and apprised that Dr. Sherry Hawn, Senior Vice Chancellor, Finance and Administration and Chief Finance and Building Operations would provide an overview and entertain any questions.

Trustee Cheben referenced the investment revenue and noted that it seems like a larger peak and requested data to support the increased amount.

Trustee Davies inquired about the number of days “cash on hand” regarding the Fund Balance. Dr. Hawn noted that the exact number of days could be provided.

Trustee Davies referenced revenue related to expenses and inquired about the amount. Dr. Hawn noted it would be around \$9 million.

Vote – The motion passed with a vote of 7-0 with Trustees Davies, Cheben, Lenton-Gary, Patterson, Richart, VanDible Stallworth, and Wilson in favor.

TUITION ASSISTANCE OPTIONS FOR FY26 OPERATING BUDGET

Motion – Trustee Sean Cheben motioned, and Dr. Cynthia Lenton-Gary seconded.

Dr. Ford Fisher noted that after examining options regarding the Tuition Assistance program, the Administration is recommending approval of the Houston Reconnect. She apprised that Dr. Sherry Hawn would provide an overview.

Houston Community College
Committee of the Whole – May 7, 2025, Page 3

Dr. Hawn noted that the Houston Reconnect program appears to be the most viable option. She advised that the program is designed for students who have dropped out, are 25 years of age or older, and have completed at least 30 semester credit hours (SCH) within the past five years. She noted that the program has the potential to generate revenue in the outer years.

Dr. Hawn also provided an overview of the Hope "Last Dollar" Scholarship and noted that it applies only to in-district student tuition. She advised that the program does not generate revenue.

Dr. Hawn provided an overview of the Out-of-District Tuition Rate Reduction, noting that tuition would be reduced by 32.5%, from \$121 to \$81.67. She noted that the program does not generate revenue.

Trustee Wilson noted that the college will not be able to accurately measure revenue impacts related to the tuition programs. He stated that he is uncertain about the potential effects of the voucher program on the ISDs. He noted that, while he does not want to take actions that could jeopardize the financial stability of the institution, he also does not want to remain idle and take no action.

Dr. VanDible Stallworth inquired whether the Pell Grant caveats were taken into consideration concerning the 31% financial aid figure. Dr. Hawn noted that they were not taken into consideration and apprised that the new Pell Grant rules require a minimum number of enrolled hours and now include short-term programs.

Dr. VanDible Stallworth noted that workforce demands would require students to take 15 credit hours instead of 12. She apprised that the applicable codes need to be reviewed because there may be a decline in enrollment due to penalties associated with Pell Grants. She noted that the college could be required to make restitution as a result. She apprised that the college must be aware of the possible loss of international students. Dr. Hawn noted that a 50% reduction in international student enrollment is already included in the budget scenario.

Trustee Wilson inquired if financial aid is our largest source of income. Dr. Hawn noted that property taxes represent the largest source of revenue.

Dr. Ford Fisher noted that the college was asked to review the tuition assistance program options. She apprised that, upon review, the Houston Reconnect program was determined to be the most viable option to pursue. She also noted that the administration would defer to the desire of the Board.

Trustee Davies requested that the Administration provide an update by November if the item is approved by the full Board.

Vote – The motion passed with a vote of 7-0 with Trustees Davies, Cheben, Lenton-Gary, Patterson, Richart, VanDible Stallworth, and Wilson in favor.

BUDGET WORKSHOP #5 - PRELIMINARY REVIEW

Dr. Ford Fisher noted that the item is presented as Budget Workshop #5 and apprised that Dr. Hawn would provide the overview.

Dr. Hawn referenced slide #5 and noted that the workshop discussion focuses on building block updates and a new scenario. She apprised that the estimated reduction in international students has been incorporated into the scenarios.

Dr. Hawn provided an overview of the following:

- Revenue
- Tuition & Fees Summary
- FAFSA Activity and Dollars (5-Year Lookback)
- State Appropriations – Performance Tier FY26
- State Appropriations – Trended Performance Tier, Special Funding, and Financial Aid for Swift Transfer (FAST)
- Tax Options Summary
 - Tax Options 1 & 2 - Tax options that will result in a revenue increase of 2% or 4%
 - Tax Option 3 - Tax option that will result in a revenue reduction of 1%, included in scenario 1 & 2
 - Tax Options 4 & 5 - Tax options that will result in a revenue increase of 4% or 6%
 - Tax Options 6 & 7 - Tax options that will result in a revenue increase of 5% or 8%
- Tax Options Summary
- Proposed Homestead Exemption Change - Comparison of Competitors Exemption Amounts and Tax Rates (Proposed tax rate in option 5 used in Scenario 3)
- Houston Peer Comparison of Annual Tax Payments - Impact to homeowner annual payments for \$5K or 20% of the appraised value (whichever is greater), plus \$135k for Over 65/Disabled

Trustee Davies noted that even with the proposed tax rate, the college's rate would remain below that of its peers. Dr. Hawn concurred.

Mr. Rodney Nathan, Interim Vice Chancellor for Talent Engagement and Chief Human Resource Officer, provided an overview of the salary outlay to include:

- 2025 College and University Professionals Assoc. Survey Benchmark Job Summary
- TUCCA 8 Adjunct Rate (5-Year Lookback)
- TUCCA 8 Lowest Actual FT Faculty Salary
- HCC General Salary Increase and Salary Structure Increase History
- Personnel Counts - Out of the total number of positions available for hire (2,832), 89% are currently filled (# of FT EE's – 2,520)

Dr. Hawn continued with an overview to include:

- Operating Expense

Houston Community College
Committee of the Whole – May 7, 2025, Page 5

- Salary and Benefits (3.6% increase for Salary & Benefits and other salary structure adjustments)
- Longevity Structure Changes
- Non-Personnel (Non-Personnel detail by expense type for 6 budget scenarios)
- IT/Network Infrastructure
- Facilities (Deferred Maintenance)
- Name Change

(Trustee Davies stepped out at 5:15 p.m.)

- Scenarios
 - Flat Budget Scenario 1 -

(Trustee Davies returned at 5:16 p.m.)

- Alternate Scenario 2
- Moderate Growth Scenario 3
- Growth Scenario 4
- Growth Scenario 5
- Growth Scenario 6

Dr. VanDible Stallworth inquired about the impact of the cancellation of the Minority Business Development Agency (MBDA) grant on small business services and recommended that the college adopt a more austere approach due to federal-level uncertainties. She also inquired about the number of positions affected by the removal of the MBDA grant. Mr. Nathan noted that two positions were impacted.

Dr. VanDible Stallworth noted that the best-case scenario is the most austere given the potential removal of the Pell Grant, and apprised that the college must take into consideration the implications of this scenario. She further noted that Reconnect Houston will be essential to enrollment growth and funding.

Dr. VanDible Stallworth recommended reviewing the Pell Grant, retirement, and deferred maintenance. She noted that the college needs to be prepared with a clear bottom line reflecting what will be required from an austere and conservative perspective.

Dr. Hawn noted concerns regarding safety if no funds are budgeted for deferred maintenance. Dr. VanDible Stallworth apprised that the college needs to be prepared in case the state and federal governments tighten funding.

Trustee Davies inquired about which categories would be affected by the Pell Grant scenario. Dr. Hawn noted that tuition and fees would be impacted. She apprised that she would review the percentage of tuition and fees, which account for roughly 14% of the college's revenue.

Trustee Wilson complimented Dr. Hawn and the staff on the budget scenarios, noting that this is

the clearest budget proposal he has seen in all his years on the Board.

Trustee Cheben recommended separating the budget in June and inquired about potential options for investment income. He requested that assumptions be clearly stated rather than presented as options. He also noted that there is still time before the tax rate is finalized.

Trustee Davies inquired about the austere scenario, specifically whether it involved zeroing out deferred maintenance or increasing revenue. Dr. Hawn noted that information could be provided. Trustee Davies also concurred with Trustee Cheben that it is no longer a matter of presenting options.

Trustee Cheben referenced salary increases and deferred maintenance. He noted that it would be helpful to understand the safety-critical issues and to know the associated costs.

Dr. Lenton-Gary expressed concern about the ongoing requests for budget scenarios and the increasing workload placed on the administration. She questioned what the outcome would be if such requests continued and stated when it would be appropriate to determine that enough scenarios have been provided. She noted that a proposed budget should be provided at the June meeting for consideration.

Dr. Hawn responded that it is difficult to define a concrete or consistent variable in the process.

Trustee Cheben concurred with Dr. Lenton-Gary that a proposed budget should be presented at the next meeting for consideration. He noted that the next review should focus on risk considerations and apprised that a single budget, including mitigation strategies, is needed.

Trustee Davies suggested that at least two to three scenarios, which range from austere to moderate, should be provided for consideration.

(Trustee Richart stepped out at 5:30 p.m.)

UPDATE ON THE STRATEGIC PLAN

Dr. Ford Fisher noted that the item is requesting the Board's approval to consider discussing the mission and vision at an upcoming retreat. She noted that Dr. Andrea Burrridge, Vice Chancellor for Strategy, Planning, and Institutional Effectiveness, would provide the update.

Dr. Burrridge provided an overview of the following recommendations:

- Consider the mission of Houston Community College at the August Board retreat, with a recommendation to either affirm or revise it by September 2025.
- Within the same timeline, consider revising HCC's vision.
- Incorporate the guiding principles of Care – Connection – Quality as HCC moves forward with updating the Strategic Plan.

Dr. Burrridge clarified that the request at a future meeting would not be to approve a new

Houston Community College
Committee of the Whole – May 7, 2025, Page 7

Strategic Plan, but rather to either affirm the current plan or begin the revision process.

Trustee Davies recommended polling the Board to determine the most suitable date for the August retreat.

Trustee Wilson suggested that the Strategic Plan should be framed with simple and well-defined action.

Trustee Davies inquired about the frequency of Strategic Plan updates. Dr. Burrridge noted that such plans are typically updated every five years. She noted, however, that the current plan was developed as a 10-year plan, created before both the COVID-19 pandemic and the passage of House Bill 8.

Trustee Davies inquired whether recommendations would be provided for the Board to consider at the upcoming retreat and whether there was an agreement that it was time for a new Strategic Plan. Dr. Burrridge confirmed that there is support for a major revision to simplify the plan and include more actionable elements, such as peer-leading practices.

Motion – Trustees Laolu Davies motioned, and Trustee Sean Cheben seconded to approve holding a discussion on the Mission and the Vision at an upcoming retreat with the intent to either reaffirm these statements or begin the revision process.

Vote – The motion passed with a vote of 6-0 with Trustees Davies, Cheben, Lenton-Gary, Patterson, VanDible Stallworth, and Wilson in favor.

ADJOURNMENT

With no further business coming before the Board, the meeting adjourned at 6:01 p.m.

Minutes submitted by Sharon Wright, Director, Board Services

Minutes Approved as Submitted: June 18, 2025