



AGENDA

THE BOARD OF TRUSTEES MEETING AS A COMMITTEE OF THE WHOLE

**May 14, 2015
4:30 p.m.**

**HCC Administration Building
3100 Main, 2nd Floor Auditorium
Houston, Texas 77002**



Strategic Plan 2012-2015

Creating Opportunities for Our Shared Future
(Approved by the HCC Board of Trustees, June 22, 2012)

Mission

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

Vision

HCC will be a leader in providing high quality, innovative education leading to student success and completion of workforce and academic programs. We will be responsive to community needs and drive economic development in the communities we serve.

Strategic Initiatives

- Initiative #1: Increase Student Completion
- Initiative #2: Respond to Business and Industry
- Initiative #3: Develop 21st Century Learners
- Initiative #4: Support Faculty/Staff Professional Development and Student Leadership
- Initiative #5: Support Innovation
- Initiative #6: Support Entrepreneurialism
- Initiative #7: Leverage Partnerships

**NOTICE OF MEETING
THE BOARD OF TRUSTEES
OF THE HOUSTON COMMUNITY COLLEGE
MEETING AS A COMMITTEE OF THE WHOLE**

May 14, 2015

Notice is hereby given that the Board of Trustees of Houston Community College will meet as a Committee of the Whole on Thursday, the fourteenth (14th) day of May, 2015 at 4:30 p.m., or after, and from day to day as required, at the HCC Administration Building, 3100 Main, 2nd Floor Auditorium, Houston, Texas 77002. The items listed in this Notice may be considered in any order at the discretion of the Chair or Board and items listed for closed session may be discussed and/or approved in open session and vice versa as permitted by law. Action Items approved by the Committee of the Whole will be listed on the Consent Agenda at a Regular Board Meeting.

I. Call to Order

II. Topics for Discussion and/or Action:

A. Facilities

1. Approval of Lease Agreement for 5505 West Loop South, Houston, Texas.
2. Update on Bond Capital Improvement Plan (CIP) Related Matters.

B. Finance

3. Rig-One Drilling Training Center (Project No. CSP 15-11).
4. Investment Report for the Month of March, 2015.
5. Monthly Financial Statement and Budget Review for March 2015.
6. Presentation Regarding 2016 Budget Preliminary Information and Timeline, Including Historical Context.
7. Discuss Local Option Exemptions Related to Ad Valorem Taxes.
8. Presentation Regarding Recommendations from the Procurement Review Committee.
9. Update on 2012-2015 Strategic Plan.

III. Action and/or Report Items from Appointed and Ad Hoc Committee(s):

A. Academic Affairs/Student Services

1. Fourier Transform Spectrometer for Northeast College.
2. ENGL 1301 Student Online Instructional Package and Course Fee for Northwest College.
3. Notification of a New Specialization within the Marketing Program: AAS Marketing – Innovation and Enterprise Specialization.
4. Update on Student Success.
5. Update on Institutional Transformation Plan.
6. Report on Student Recognitions.
7. Graduation Report.

B. Audit

8. Internal Audit Quarterly Report.

C. Board Governance

9. Modification to Existing Board Policies Related to Board Approval and Signature Authority to Include Modification to B:1.7.8 and B:1.7.2; Repeal of B:1.3.4 and B:1.5.4; Addition of A:7.1.1 and A:7.1.2.
10. Board Expenditure Report for Fiscal Year 2014-2015.
11. HCC Smoking Policy and Procedure.

IV. 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

1. 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

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

C. Real Estate Matters

1. Lease Agreement for 5505 West Loop South, Houston, Texas.
2. 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 or employee or to hear complaints or charges against a public officer or employee, unless the officer or employee who is the subject of the deliberation or hearing requests a public hearing.

Section 551.076 – To consider the deployment, or specific occasions for

Houston Community College
Committee of the Whole – May 14, 2015

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 _____ 11th _____ day of _____ May _____, 2015, at or before 4:30 p.m., 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 Administration Building of the Houston Community College System, 3100 Main, First Floor, Houston, Texas 77002; (2) the Harris County Criminal Justice Center, 1201 Franklin, Houston, Texas 77002; (3) the Fort Bend County Courthouse, 401 Jackson, Richmond, Texas 77469; and (4) the Houston Community College website, www.hccs.edu. The Houston Community College's public meeting notices for Fort Bend County may be viewed after hours (*i.e.* between the hours of 5:30 p.m. and 7:30 a.m.) on the kiosk located on the west side of the new Fort Bend County Courthouse (the "William B. Travis Building"), located at 309 South Fourth Street, Richmond, Texas 77469.

Sharon R. Wright, Manager
Board Services

ACTION ITEM

Meeting Date: May 14, 2015

Committee: *Facilities and Finance*

ITEM NO.	ITEM TITLE	PRESENTER
1	Approval of Lease Agreement for 5505 West Loop South Houston, Texas	Dr. Cesar Maldonado Teri Zamora Charles D. Smith

RECOMMENDATION

Authorize the Chancellor to execute a lease agreement for the building at 5505 West Loop South on the West Loop campus.

COMPELLING REASON/RATIONALE

The leased space will be used as a business location for service to the general public.

DESCRIPTION OR BACKGROUND

This building was erected for investment purposes in 1999. It was leased by Conn's Appliances through September of 2014 and acquired by the College in March of 2015 through an amicable Purchase Sale Agreement. Leasing of the building is intended to defray the long term cost of acquisition.

FISCAL IMPACT

Income from the lease will defray the cost of acquisition, providing a long term benefit to the taxpayer.

LEGAL REQUIREMENT

None.

STRATEGIC GOAL ALIGNMENT

Strategic Initiative: Cultivate an Entrepreneurial Culture Across the Institution.

This item is applicable to the following:

Central Coleman Northeast Northwest Southeast Southwest 3100

REPORT ITEM

Meeting Date: May 14, 2015

Committee: *Facilities and Finance*

ITEM NO.	ITEM TITLE	PRESENTER
2	Update on Bond Capital Improvement Plan (CIP) Related Matters	Dr. Cesar Maldonado Charles Smith

DISCUSSION

Provide an update on the Bond Capital Improvement Plan (CIP) related matters.

STRATEGIC GOAL ALIGNMENT

Strategic Initiative: Develop 21st Century Learners

Attachment Title(s): **CIP Update Report (Will be provided under separate cover)**

This item is applicable to the following:

Central Coleman Northeast Northwest Southeast Southwest 3100

ACTION ITEM

Meeting Date: May 14, 2015

Committee: *Facilities and Finance*

ITEM NO.	ITEM TITLE	PRESENTER
3	Rig-One Drilling Training Center (Project No. CSP 15-11)	Dr. Cesar Maldonado Teri Zamora Rogelio Anasagasti

RECOMMENDATION

Authorize the Chancellor to negotiate and execute a contract with Horizon International Group, LLC., to perform all work required for the Rig-One Drilling Training Center located at NE College in accordance with the CSP 15-11.

The duration of the contract shall be approximately 120 calendar days and through the warranty period, in accordance with the project schedule, at an estimated cost of \$932,000.

COMPELLING REASON/RATIONALE

Houston Community College issued a request for competitive sealed proposals for the selection of a single firm to perform all work required for the Rig-One Drilling Training Center located at NE College in accordance with CSP 15-11. The recommended contractor will report to the Chief Facilities Officer and will coordinate with the staff of the Facilities & Construction Management Department.

The resulting contract will provide Houston Community College with a contractor to furnish all labor, materials, tools, equipment, supervision and management for the construction of a new state-of-the-art drilling training center supporting the educational needs for energy industry.

The vision of the Rig-One Drilling Training Center is to create a realistic drilling environment for new hire induction, orientation and training. The goal is to provide drilling contractors with a premier source for retainable, promotable and safety-conscious entry-level rig crew members.

Training will include a rig safety and skills laboratory that will replicate the essential components of the rig work environment for new hires (Offshore Roustabouts/Onshore Roughnecks). A two-week, hands-on program will provide trainees with experience in working around cranes, forklifts and air tuggers to acquire skills in safe pipe and cargo handling. Other skill areas include material handling, tank cleaning, confined space entry, routine maintenance and hand tool skills. Basic first aid, firefighting, station bills and muster, lock-out/tag-out and other safety procedures such as Helicopter Underwater Evacuation Training and Safe Driving are integrated into this real world experience. The training curriculum is aligned with the International Association of Drilling Contractors Knowledge, Skills and Abilities (KSA) profiles.

This recommendation to the Board of Trustees is in accordance with CSP 15-11 and Chapter 2269 Subchapter D of the Texas Government Code.

DESCRIPTION OR BACKGROUND

The Request for Competitive Sealed Proposal (CSP 15-11) was issued on March 13, 2015. The solicitation document was distributed electronically in addition to being published in local newspapers; notice was provided to five-hundred fifty-seven (557) firms. Additionally, the solicitation was duly posted on the Electronic State Business Daily (ESBD) website. Five (5) responses were received by the solicitation due date of April 16, 2015 at 2:00 p.m. All proposals

were deemed responsive to the requirements of CSP 15-11 and were submitted to the Evaluation Committee for evaluation and scoring.

FISCAL IMPACT

The total estimated project cost is \$932,000; the funding source is HCC Capital and Technology Budget.

LEGAL REQUIREMENTS

This recommendation to the Board of Trustees is being made to the highest ranked firm offering the best value in accordance with Chapter 2269.155 of the Texas Government Code.

This procurement is governed under Section 2269.151 of the Government Code, which mandates the requirements for the competitive sealed proposals method of procurement, and requires that the district shall select the offeror that offers the best value for the district based on the published selection criteria and on its ranking evaluation. The district shall first attempt to negotiate a contract with the selected offeror. If the district is unable to negotiate a contract with the selected offeror, the district shall, formally and in writing, end negotiations with that offeror and proceed to the next offeror in the order of the selection ranking until a contract is reached or all proposals are rejected.

Pursuant to the published CSP 15-11 document and in accordance with Chapter 2269 of the Texas Government Code, the Evaluation Committee has selected the offeror that submitted the proposal that offers the best value for the district based on the published selection criteria and on its ranking evaluation.

Following the Texas Government Code and in accordance with the procurement process, HCC has selected the firm offering the best value based on the published selection criteria as evidenced in the final evaluation ranking.

STRATEGIC GOAL ALIGNMENT

Strategic Initiative: Support Innovation

Attachment Title(s): **1. Summary of Procurement**
2. Summary Composite Score Sheet

This item is applicable to the following:

Central Coleman Northeast Northwest Southeast Southwest 3100

**SUMMARY OF PROCUREMENT
BOARD ACTION ITEM**

PROJECT TITLE: Rig-One Drilling Training Center

PROJECT NO.: CSP 15-11

PROCUREMENT METHOD: Request for Competitive Sealed Proposal (Overall Best Value)

PROJECT MANAGER: Kleve Smith, Project Manager

NAME OF BUYER: Jennifer Chiu, Senior Buyer

PURPOSE: Houston Community College issued a Request for Competitive Sealed Proposal (CSP) for the selection of a single firm to provide construction services for the Rig-One Drilling Training Center in accordance with CSP 15-11.

RECOMMENDED VENDOR: Horizon International Group, LLC
4204 Bellaire Boulevard
Houston, Texas 77025

PROPOSED SUB-CONTRACTOR: F.C. Painting
2322 Eaglerock Drive
Houston, Texas 77080

Exquisite Group
4702 Old Spanish Trail
Houston, Texas 77021

Diversified Services
PO Box 35705
Houston, Texas 77235

Corner Rock Construction
2322 Eaglerock
Houston, Texas 77080

IPSUM Steel BSS
1335 Boyles Street
Houston, Texas 77020

LG Electric
13209 Ann Louise Road,
Houston, Texas 77086

**LEGAL
REQUIREMENTS:**

This recommendation to the Board of Trustees is being made to the highest ranked firm offering the best value in accordance with Chapter 2269.155 of the Texas Government Code.

This procurement is governed under Section 2269.151 of the Government Code, which mandates the requirements for the competitive sealed proposals method of procurement, and requires that the district shall select the offeror that offers the best value for the district based on the published selection criteria and on its ranking evaluation. The district shall first attempt to negotiate a contract with the selected offeror. If the district is unable to negotiate a contract with the selected offeror, the district shall, formally and in writing, end negotiations with that offeror and proceed to the next offeror in the order of the selection ranking until a contract is reached or all proposals are rejected.

Pursuant to the published CSP 15-11 document and in accordance with Chapter 2269 of the Texas Government Code, the Evaluation Committee has selected the offeror that submitted the proposal that offers the best value for the district based on the published selection criteria and on its ranking evaluation.

Following the Texas Government Code and in accordance with the procurement process, HCC has selected the firm offering the best value based on the published selection criteria as evidenced in the final evaluation ranking.

**LOCATION
INFORMATION:**

In performing the work under CSP 15-11, the recommended vendor will be working out of their Houston offices.

PROJECTED VALUE:

The total estimated project cost is \$932,000; the funding source is HCC Operations Budget.

CONTRACT TERM:

The estimated project duration is 120 calendar days and through the warranty period.

**PROCUREMENT
ADVERTISEMENT
& NOTICE:**

This procurement was advertised and a notice of procurement was distributed as follows:

- The Houston Chronicle on March 16, 22 & 29, 2015
- African American on March 16 thru 29, 2015
- La Información during the week of March 19, 2015
- Voice of Asia on March 27, April 3 & 10, 2015
- Notice to HCC Board of Trustees on March 13, 2015
- Texas State Procurement Website on March 13, 2015
- HCC Procurement Operations Website March 13, 2015

**SOLICITATION
INFORMATION:**

The Request for Competitive Sealed Proposal (CSP 15-11) was issued on March 13, 2015. The solicitation document was distributed electronically in addition to being published in local newspapers; notice was provided to five-hundred fifty-seven (557) firms. Additionally, the solicitation was duly posted on the Electronic State Business Daily (ESBD) website. Five (5) responses were received by the solicitation due date of April 16, 2015 at 2:00 p.m. All proposals were deemed responsive to the requirements of CSP 15-11 and were submitted to the Evaluation Committee for evaluation and scoring.

COMPETITIVE:

Yes, please see Summary Composite Score Sheet.

**PROPOSAL
EVALUATION:**

Responses were evaluated by the Evaluation Committee which consisted of representatives with relevant subject matter understanding who scored proposals in accordance with the published evaluation criteria noted below.

Evaluation Criteria	Available Points
Firm's Profile, Overview and Qualification & Experience	10
Demonstrated Qualifications of Personnel and Team	10
Proposed Approach & Methodology	20
Past Performance & References	10

Price/Cost Schedules, Billing Rates	50
Small Business Practices	10
Quality Control and Commissioning	10
<u>Safety Practices</u>	<u>10</u>
Total Points:	130

**PRIOR HCC
EXPERIENCE:**

Yes.

REFERENCES:

Evaluated and found to be favorable.

**SMALL BUSINESS
GOAL:**

In accordance with the Houston Community College - Small Business Development Program, for this solicitation, HCC advertised a 35% Good Faith Effort – Small Business participation goal.

Horizon International Group is committed to meet the advertised goal with a 35% Small Business participation commitment.

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CFP 15-11 Composite Score for RigOne

Summary Composite Score

Sheet

Firm	Evaluation Criteria								Total
	Firm's Profile, Overview, Qualifications and Experience	Demonstrated Qualifications of Personnel and Team	Proposed Approach and Methodology	Past Performance and References	Price/Cost Schedules, Billing Rates	Small Business Practices	Quality Control and Commissioning	Safety Practices	
Available Points	10	10	20	10	50	10	10	10	130
Horizon International Group	8.40	8.40	14.80	8.60	42.92	10.00	8.00	8.00	109.12
JT Vaugh Construction	9.20	9.20	18.40	9.20	36.76	6.00	10.00	10.00	108.76
IKLO Construction	6.00	6.20	10.40	6.00	50.00	10.00	4.00	4.00	96.60
Frost Construction Company	7.20	6.60	12.40	6.40	47.56	8.00	0.00	2.00	90.16
Level Infrastructure	3.80	4.60	7.60	4.20	33.20	4.00	0.00	0.00	57.40

ACTION ITEM

Meeting Date: May 14, 2015

Committee: *Facilities and Finance*

ITEM NO.	ITEM TITLE	PRESENTER
4	Investment Report for the Month of March, 2015	Dr. Cesar Maldonado Teri Zamora

RECOMMENDATION

Approve the Investment Report for the month of March, 2015.

COMPELLING REASON/RATIONALE

The monthly report advises the Board on the status of the investment portfolio and complies with the relevant statute.

DESCRIPTION OR BACKGROUND

This report provides information related to the various investments of the college, including book values and market values.

FISCAL IMPACT

The interest income earned and earnings credit for the month totaled \$216,321 and the interest income earned and earnings credit for the fiscal year-to-date totaled \$1,457,240. The weighted average interest rate (WAR) at March 31, 2015 is .39%.

The Investment Report attached identifies HCC's investment holdings for the month ending March 31, 2015. It includes the unexpended proceeds of the various bond issues. The portfolio is highly liquid and secure with 87% of the assets invested in local government pools, money market funds and short-term certificates of deposit. All pools and money market funds are rated at the highest level. Certificates of deposit, high yield savings and other 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. Interest rates have remained historically low.

LEGAL REQUIREMENTS

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

STRATEGIC GOAL ALIGNMENT

Strategic Initiative: Support Innovation

Attachment Title(s): **Investment Report - March, 2015**

This item is applicable to the following:

Central Coleman Northeast Northwest Southeast Southwest 3100

**HOUSTON COMMUNITY COLLEGE SYSTEM
INVESTMENT PORTFOLIO COMPOSITION
As of MARCH 31, 2015**

Beginning Book Value (MARCH 1, 2015)	\$	616,629,400
Beginning Market Value (MARCH 1, 2015)	\$	616,341,636
Additions/subtractions (Book value - Net)	\$	(19,567,765) *
Change in Market value	\$	122,304
Ending Book value (MARCH 31, 2015)	\$	597,061,635
Ending Market value (MARCH 31, 2015)	\$	596,918,250
Unrealized Gain/(Loss)	\$	(143,385)
WAM (83% of Portfolio's weighted average maturity - All Funds)		1

This report is in compliance with the investment strategies approved in Houston Community College System investment policy and is in accordance with the Public Funds Investment Act of 1999.

Note: This month's Investment does not include \$13,986,479 on deposit with Bank Of America which is earning higher than market yield from earning credits.

* Net amount provided/used for Operations	2,705,027
Net amount provided/used for CIP /Others	<u>(22,272,793)</u>
	(19,567,766)

**EXECUTIVE SUMMARY
INVENTORY HOLDINGS REPORT
March 31, 2015**

	<u>Ending Book Value</u>	<u>Ending Market Value</u>	<u>Unrealized Gain (Loss)</u>
US Treasuries	4,001,250	4,006,564	5,314
US Agencies	71,255,654	71,106,955	(148,699)
Local government pools	10,126,349	10,126,349	-
Money market funds	175,427,763	175,427,763	-
High yield savings	65,177,519	65,177,519	-
Certificates of deposit	215,250,000	215,250,000	-
Interest bearing checking	55,823,100	55,823,100	-
Total	<u>597,061,635</u>	<u>596,918,250</u>	<u>(143,385)</u>
WAR (weighted average interest rate)		<u>0.39%</u>	

INVESTMENTS
INVENTORY HOLDINGS REPORT (OPERATING AND OTHERS)
As of MARCH 31, 2015

Description	Held At	Coupon Rate	Purchase Date	Maturity Date	Par	Beginning Mkt. Value	Beginning Book Value	Purchased (Redeemed)	Ending Book Value	Ending Mkt. Value	Change in Mkt. Value	Unrealized Gain/(Loss)
Fannie Mae ARM Pool 708686	Bank of America	2.48%	02/22/05	05/01/33	52,401	56,210	54,000	(191)	53,809	55,452	(558)	1,643
Fannie Mae ARM Pool 805454	Bank of America	2.64%	12/23/04	12/01/34	48,637	54,204	56,764	(2,268)	54,496	51,924	(114)	(2,572)
Federal Farm Credit Bank US Domestic Bond	Bank of America	0.40%	08/03/12	08/03/15	1,000,000	1,000,987	1,000,000	0	1,000,000	1,000,758	(229)	758
Federal Home Loan Bank US Domestic Multi-step cpn Bond Structured Note	Bank of America	1.50%	07/30/12	07/30/27	2,000,000	1,935,426	2,000,000	0	2,000,000	1,949,158	13,732	(50,842)
Freddie Mac Domestic MTN Unsecured Bond	Bank of America	0.85%	03/10/14	03/10/17	1,000,000	997,251	1,000,000	0	1,000,000	998,721	1,470	(1,279)
Freddie Mac Domestic MTN Unsecured Bond	Bank of America	1.00%	08/22/12	02/22/18	1,000,000	992,620	1,000,000	0	1,000,000	997,025	4,405	(2,975)
Fannie Mae US Domestic Multi-step CPN Bond Structured Note	Bank of America	1.00%	08/27/12	08/27/27	2,000,000	2,004,722	1,990,000	0	1,990,000	2,005,398	676	15,398
Federal Home Loan Bank US Domestic Unsecured	Bank of America	0.25%	01/23/15	01/22/16	2,000,000	1,998,914	1,999,720	0	1,999,720	1,999,786	872	66
Federal Farm Credit Bank US Domestic Unsecured	Bank of America	0.48%	01/28/15	05/27/16	1,725,000	1,723,144	1,724,655	0	1,724,655	1,723,817	673	(838)
Fannie Mae US Domestic MTN Series:0003 Multi-step Unsec Structured Note	Bank of America	0.50%	03/31/15	09/29/27	2,000,000	-	-	2,000,000	2,000,000	1,999,990	-	(10)
Federal Home Loan Bank US Domestic Multi-step cpn Bond Structured Note	Bank of America	2.00%	07/30/12	07/30/27	1,080,000	1,033,638	1,080,000	0	1,080,000	1,041,104	7,466	(38,896)
Federal Home Loan Bank US Domestic Multi-step cpn Bond Structured Note	Bank of America	2.00%	08/27/12	11/27/24	1,600,000	1,579,570	1,600,000	0	1,600,000	1,589,434	9,864	(10,566)
Federal Home Loan Bank US Domestic Multi-step cpn Bond Structured Note	Bank of America	2.00%	07/30/12	07/30/27	2,675,000	2,612,236	2,675,000	0	2,675,000	2,630,662	18,425	(44,338)
Federal Farm Credit Bank US Domestic Unsecured	Bank of America	1.00%	04/11/13	04/11/18	10,000,000	9,955,560	10,000,000	0	10,000,000	9,973,250	17,690	(26,750)
Federal Home Loan Bank US Domestic Unsecured	Bank of America	0.70%	04/17/13	01/17/17	5,000,000	4,999,935	5,000,000	0	5,000,000	5,001,370	1,435	1,370
Fannie Mae US Domestic Multi-step cpn Bond Structured Note	Bank of America	0.80%	06/13/13	06/13/18	10,000,000	9,947,110	10,000,000	0	10,000,000	9,982,250	35,140	(17,750)
Federal Home Loan Bank US Domestic Unsecured series 0003	Bank of America	1.00%	03/27/14	03/27/17	10,000,000	9,977,330	10,000,000	(10,000,000)	-	-	-	-
Federal Home Loan Bank US Domestic Multi-step CPN BND Unsecured series 0001	Bank of America	1.38%	06/30/14	06/26/19	5,000,000	5,004,310	5,000,000	0	5,000,000	5,012,625	8,315	12,625
U.S. Treasury Notes US Govt. National	Bank of America	0.50%	07/10/14	06/30/16	4,000,000	4,004,688	4,001,250	0	4,001,250	4,006,564	1,876	5,314
Federal Home Loan Bank US Domestic Unsecured	Bank of America	0.52%	07/10/14	09/12/16	1,080,000	1,079,383	1,078,304	0	1,078,304	1,080,054	671	1,750
Federal Farm Credit Bank US Domestic Unsecured	Bank of America	1.22%	09/24/14	09/18/17	3,000,000	3,008,541	2,999,670	0	2,999,670	3,007,797	(744)	8,127
Freddie Mac Domestic MTN Unsecured Bond	Bank of America	1.30%	09/25/14	01/30/18	5,000,000	5,006,390	5,000,000	0	5,000,000	5,004,300	(2,090)	4,300
Federal Home Loan Bank US Domestic Unsecured	Bank of America	1.11%	09/26/14	06/26/17	4,000,000	4,000,192	4,000,000	0	4,000,000	4,000,196	4	196
Freddie Mac Global Unsecured Bond	Bank of America	0.70%	09/29/14	09/29/16	5,000,000	4,999,985	5,000,000	0	5,000,000	5,003,310	3,325	3,310
Federal Home Loan Bank US Domestic Unsecured	Bank of America	0.25%	02/02/15	01/26/16	5,000,000	4,999,255	5,000,000	0	5,000,000	4,998,575	-	(1,425)
Plant Fund Interest Checking (10060-7201)	Bank Of America	0.11%	02/01/15			66,463	66,463	6	66,469	66,469	0	0
Debt Service 2001A Bond Int Checking (10080)	Bank Of America	0.11%	02/01/15			2,157,339	2,157,339	166	2,157,505	2,157,505	0	0
HCCS Merchant service (10012)	Bank Of America	0.30%	02/01/15			49,660,766	49,660,766	(106,413)	49,554,353	49,554,353	0	0
Checking Acoount- 10010-7306-2006 Jr. lien	Bank Of America	0.11%	02/01/15			229	229	0	229	229	0	0
LTD2013 Tax Bond Grneral Checking A/C (10090)	Bank Of America	0.11%	02/01/15			1,598,494	1,598,494	514,295	2,112,789	2,112,789	0	0
LTD2003 Tax Bond Checking A/C (10092)	Bank Of America	0.11%	02/01/15			1,930,167	1,930,167	173	1,930,340	1,930,340	0	0

Description	Held At	Coupon Rate	Purchase Date	Maturity Date	Par	Beginning Mkt. Value	Beginning Book Value	Purchased (Redeemed)	Ending Book Value	Ending Mkt. Value	Change in Mkt. Value	Unrealized Gain/(Loss)
Managed PFI Account-10100-1110	Bank Of America	0.20%	02/01/15			1,415	1,415	0	1,415	1,415	0	0
Merrill Lynch, Pierce, Fenner & smith (1110)	Bank Of America	0.01%	02/01/15			455,782	455,782	12	455,794	455,794	0	0
Public Fund Money Market_Premier (159406615)	Regions Bank	0.18%	02/01/15			54,579,742	54,579,742	8,456	54,588,197	54,588,197	0	0
Public Fund Money Market_Premier (185913820)- fund 1110	Regions Bank	0.15%	02/01/15			120,367,999	120,367,999	15,773	120,383,771	120,383,771	0	0
Chase High Yield Savings (A/C 2049911718)	Chase Bank	0.03%	02/01/15			2,323	2,323	(15)	2,308	2,308	0	0
Chase High Yield Savings (A/C 3000684286)	Chase Bank	0.03%	02/01/15			77,173,488	77,173,488	(11,998,278)	65,175,210	65,175,210	0	0
Fixed Time Deposit with Unity Bank	Unity Bank	0.26%	06/09/14	06/09/15		100,000	100,000	0	100,000	100,000	0	0
Fixed Time Deposit with Unity Bank	Unity Bank	0.25%	10/18/14	10/18/15		150,000	150,000	0	150,000	150,000	0	0
Certificate of Deposit	Chase Bank	0.28%	04/03/13	04/03/15		20,000,000	20,000,000	0	20,000,000	20,000,000	0	0
Certificate of Deposit	Chase Bank	0.43%	03/22/13	09/22/15		50,000,000	50,000,000	0	50,000,000	50,000,000	0	0
Certificate of Deposit	Chase Bank	0.49%	07/25/13	01/24/16		5,000,000	5,000,000	0	5,000,000	5,000,000	0	0
Certificate of Deposit	Chase Bank	0.50%	04/03/13	04/03/16		40,000,000	40,000,000	0	40,000,000	40,000,000	0	0
Certificate of Deposit	Chase Bank	0.49%	07/25/13	07/24/16		5,000,000	5,000,000	0	5,000,000	5,000,000	0	0
Certificate of Deposit	Chase Bank	0.69%	03/22/13	03/22/17		30,000,000	30,000,000	0	30,000,000	30,000,000	0	0
Certificate of Deposit	Chase Bank	0.49%	07/25/13	07/24/17		5,000,000	5,000,000	0	5,000,000	5,000,000	0	0
Certificate of Deposit	Chase Bank	0.99%	03/23/13	03/21/18		20,000,000	20,000,000	0	20,000,000	20,000,000	0	0
Certificate of Deposit	Chase Bank	0.98%	03/22/13	03/22/18		20,000,000	20,000,000	0	20,000,000	20,000,000	0	0
Certificate of Deposit	Chase Bank	1.02%	04/03/13	04/03/18		20,000,000	20,000,000	0	20,000,000	20,000,000	0	0
Corporate Overnight Fund	Lone Star	0.13%	02/01/15			1,597,332	1,597,332	172	1,597,504	1,597,504	0	0
Tex Pool	State Street Bank	0.05%	02/01/15			8,528,497	8,528,497	348	8,528,845	8,528,845	0	0
TOTAL						616,341,636	616,629,400	(19,567,765)	597,061,635	596,918,250	122,304	(143,385)

ACTION ITEM

Meeting Date: May 14, 2015

Committee: *Facilities and Finance*

ITEM NO.	ITEM TITLE	PRESENTER
5	Monthly Financial Statement and Budget Review for March 2015	Dr. Cesar Maldonado Teri Zamora

RECOMMENDATION

Approve the Financial Statement for the month of March 2015.

COMPELLING REASON/RATIONALE

The monthly report advises the Board on the status of the finances of the college.

DESCRIPTION OR BACKGROUND

This report provides information related to the various funds of the college, including fund balances, comparison to previous year and comparison to budget.

FISCAL IMPACT

Awareness and review of financial information throughout the year helps to inform decision making, and allows for mid-year adjustments, as needed.

LEGAL REQUIREMENT

N/A

STRATEGIC GOAL ALIGNMENT

Strategic Initiative: Support Innovation

Attachment Title(s): **Financial Statement - March 2015**

This item is applicable to the following:

Central Coleman Northeast Northwest Southeast Southwest 3100

5/12/2015 12:49 PM



Summary Operating Statements

**For the Period
September 1, 2014 - March 31, 2015
For the Meeting of the Board of Trustees - May 14, 2015**

**for
Houston Community College System
&
Houston Community College Public Facility Corporation**

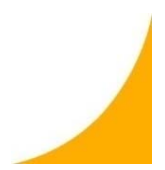


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For the Period September 1, 2014 - March 31, 2015

Houston Community College System

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**Houston Community College System
Summary of Financial Statements
As of March 31, 2015**

In the Unrestricted Fund as of March 31, 2015, total revenue received is \$254.9 million. This represents 85.4% of budgeted annual revenues of \$298.7 million. Expenses total \$154.7 million to date; which is 50.4% of the total expense budget of \$306.7 million. Compared with the same time last year, revenue shows a 7% increase, and expenses are 0.1% higher than the prior year. Actual net revenue is \$100.3 million to-date. That translates into a like amount increase in fund balance.

Tuition and fee revenue shows a 3% increase year-to-date, namely due to increases in enrollment. Tuition and fee revenue for Extended Learning shows a 38.6% increase due partially to an increase in enrollment and also largely to a differential category fee created for out-of-state and international students taking non-credit courses.

Salaries increased 4.6%. This increase is due namely to an across the board salary increases of 2% for full-time employees and an increase in part-time faculty salary rates.

Expenses related to supplies, instruction and other materials, and capital outlays have decreased. Decreases have resulted primarily from greater oversight of expenditures and discontinuation of the practice of allowing current unrestricted fund purchase orders to roll into the next fiscal year.

HOUSTON COMMUNITY COLLEGE SYSTEM
Unaudited Fund Balances and Activities - All Funds
as of March 31, 2015

	Unrestricted	Restricted	Auxiliary	Loan & Endowments	Scholarship	Agency	Unexpended Plant	Capital and Technology	Retirement of Debt	Investment in Plant	Public Facility Corp.	Grand Total
Fund Balance as of 9/1/2014, Audited	\$ 100,704,814	\$ 8,760,527	\$ 6,048,536	\$ 509,932	\$ -	\$ (59,601)	\$ 5,418,977	\$ -	\$ 36,581,244	\$ 221,786,019	\$ (5,898,375)	\$ 373,852,073
Revenues	254,943,844	19,062,163	8,320,615	-	90,695,675	-	1,665,157	-	51,329,868	-	306	426,017,628
Expenses												
Salaries	102,833,732	3,263,218	2,750,760	-	2,154,710	-	129,729	-	-	-	-	111,132,149
Employee Benefits	11,275,769	8,160,494	582,850	-	298	-	29,341	-	-	-	-	20,048,753
Supplies & General Exp	2,303,830	125,664	497,165	-	-	-	1,781	79,546	-	-	-	3,007,985
Travel	492,666	149,177	68,505	-	-	-	-	-	-	-	-	710,347
Marketing Costs	682,226	21,465	17,721	-	-	-	-	-	-	-	-	721,413
Rentals & Leases	1,534,920	95,287	37,238	-	-	-	3,309	-	-	-	-	1,670,755
Insurance/Risk Mgmt	6,398,732	3,738	1,521	-	-	-	-	-	-	-	-	6,403,991
Contracted Services	11,930,034	2,283,708	980,995	-	-	-	60,012	-	242,419	-	-	15,497,167
Utilities	4,883,637	-	219,360	-	-	-	-	-	-	-	-	5,102,996
Other Departmental Expenses	761,177	68,287	2,310,177	-	-	-	-	-	-	-	-	3,139,642
Instructional and Other Materials	5,081,013	211,940	125,385	-	-	-	134,438	-	-	-	-	5,552,776
Maintenance and Repair	523,885	283,765	8,683	-	274,250	-	74,392	-	-	-	-	1,164,975
Transfers (In)/Out*	4,666,655	4,250,000	-	-	(2,190,353)	-	2,000,000	(8,250,000)	(476,302)	-	-	(0)
Debt	89,497	-	-	-	-	-	-	-	33,362,026	-	590,785	34,042,308
Capital Outlay	1,209,521	375,264	-	-	-	-	54,842,554	333,447	-	-	-	56,760,786
Depreciation	-	-	-	-	-	-	-	-	-	11,538,581	-	11,538,581
Scholarship Distribution					89,893,502							89,893,502
Total Expenses	154,667,296	19,292,007	7,600,359	-	90,132,407	-	57,275,556	(7,837,007)	33,128,143	11,538,581	590,785	366,388,125
NET REVENUE/(EXPENSES)	100,276,548	(229,845)	720,256	-	563,268	-	(55,610,399)	7,837,007	18,201,726	(11,538,581)	(590,479)	59,629,502
Fund Balance Entries	685,989	-				59,601	47,037,427	-		24,633,362	(59,782)	72,356,597
Fund Balance as of 03/31/2015	\$ 201,667,351	\$ 8,530,682	\$ 6,768,792	\$ 509,932	\$ 563,268	\$ -	\$ (3,153,995)	\$ 7,837,007	\$ 54,782,970	\$ 234,880,800	\$ (6,548,635)	\$ 505,838,172

*Transfers include student revenue bond payment funds, scholarship matching funds, and transfers to Unexpended Plant and Capital and Technology Funds

HOUSTON COMMUNITY COLLEGE SYSTEM
Comparison to Budget and Comparison to Previous Fiscal Year
as of March 31, 2015
58.3% of Year Expended

HCCS CURRENT UNRESTRICTED

	Year-to-Date Actuals Thru March 31, 2015	FY2015 Budget	Actuals as a % of Budget	Year-to-Date Actuals Thru March 31, 2015	Year-to-Date Actuals Thru March 31, 2014	Increase (Decrease) FY2015 Compared to FY2014	% Increase (Decrease)
REVENUES							
State Appropriations	\$ 36,303,190	\$ 69,202,364	52.5%	\$ 36,303,190	\$ 36,356,619	\$ (53,429)	-0.1%
Ad Valorem Taxes	120,857,487	114,968,081	105.1%	120,857,487	108,844,612	12,012,875	11.0%
Tuition, Net	34,777,847	40,308,204	86.3%	34,777,847	33,227,722	1,550,125	4.7%
Fees	54,377,319	64,784,694	83.9%	54,377,319	53,057,709	1,319,610	2.5%
Other Local Income	1,378,193	2,247,796	61.3%	1,378,193	1,388,021	(9,828)	-0.7%
Tuition & Fee, Net	6,888,634	6,565,665	104.9%	6,888,634	4,969,966	1,918,668	38.6%
-- Extended Learning							
Indirect Cost Revenues, Grant	361,173	619,663	58.3%	361,173	398,923	(37,750)	-9.5%
Total Revenues	254,943,844	298,696,467	85.4%	254,943,844	238,243,572	16,700,271	7.0%
Fund Balance Transfers In	-	8,000,000	0.0%	-	-	-	0.0%
Total Revenues and Fund Balance Transfer	\$ 254,943,844	\$ 306,696,467	83.1%	\$ 254,943,844	\$ 238,243,572	\$ 16,700,271	7.0%
EXPENSES							
Salaries	102,833,732	181,902,177	56.5%	102,833,732	98,271,425	4,562,308	4.6%
Employee Benefits	11,275,769	20,230,175	55.7%	11,275,769	10,604,385	671,384	6.3%
Supplies Gen Exp	2,303,830	5,633,073	40.9%	2,303,830	2,812,393	(508,564)	-18.1%
Travel	492,666	1,233,815	39.9%	492,666	525,097	(32,431)	-6.2%
Marketing Costs	682,226	1,366,991	49.9%	682,226	670,231	11,996	1.8%
Rental & Leases	1,534,920	2,492,806	61.6%	1,534,920	1,472,536	62,385	4.2%
Insurance/Risk Mgmt	6,398,732	7,264,333	88.1%	6,398,732	6,461,345	(62,612)	-1.0%
Contract Services	11,930,034	23,267,494	51.3%	11,930,034	12,709,496	(779,462)	-6.1%
Utilities	4,883,637	10,292,734	47.4%	4,883,637	4,242,432	641,205	15.1%
Other Departmental Expenses	761,177	1,834,861	41.5%	761,177	1,304,994	(543,816)	-41.7%
Instructional & Other Materials	5,081,013	9,489,094	53.5%	5,081,013	4,873,533	207,481	4.3%
Maintenance & Repair	523,885	1,348,967	38.8%	523,885	785,324	(261,438)	-33.3%
Transfers/Debt	4,756,152	32,557,629	14.6%	4,756,152	6,527,734	(1,771,582)	-27.1%
Contingency	-	5,168,374	0.0%	-	-	-	0.0%
Capital Outlay	1,209,521	2,613,944	46.3%	1,209,521	3,328,839	(2,119,318)	-63.7%
Total Expenses	\$ 154,667,296	\$ 306,696,467	50.4%	\$ 154,667,296	\$ 154,589,761	77,534	0.1%
NET REVENUE/(EXPENSES)	\$ 100,276,548	\$ -	0.0%	\$ 100,276,548	\$ 83,653,811	\$ 16,622,737	19.9%

HOUSTON COMMUNITY COLLEGE SYSTEM

Auxiliary Budget By Fund as of March 31, 2015

Auxiliary Funds - Uncommitted Portion

	Main Leasing	Misc. Auxiliary *	Foundation	Marketing	Bookstore Commission	International Student Services	Cafe Club NEO 3100 Main	Scholarships	Subtotal Uncommitted
Fund Balance – September 1, 2014									\$ 2,067,478
FY2015									
Revenue	3,427,773	281,835	-	-	577,552	-	295,448	-	4,582,607
Salaries	128,302	249,532	60,557			199,532	137,540		775,464
Benefits	32,523	64,246	13,966			46,266	33,111		190,112
Supplies Gen Exp	23,301	54,675	8,244				9,754		95,974
Travel		2,446	3,105						5,551
Marketing Costs		17,721							17,721
Rental & Leases	3,893	25,225					320		29,438
Contract Services	654,442	170,498	22,253				823		848,016
Utilities	219,360								219,360
Departmental Expenses		242,089		2,017,088		15,410			2,274,587
Instructional & Other	600						124,785		125,385
Materials									
Maintenance & Repair	894	4,009					3,779		8,683
Insurance/Risk Mgmt									-
Exemptions and Waivers								430,587	430,587
Transfer/Debt									-
Capital Outlay									-
Total Expense	1,063,316	830,441	108,125	2,017,088	-	261,208	310,111	430,587	5,020,877
Contribution to Fund Balance	2,364,457	(548,607)	(108,125)	(2,017,088)	577,552	(261,208)	(14,663)	(430,587)	(438,270)
Auxiliary Fund Balance - Uncommitted Portion									\$ 1,629,208

* Expenditures in this category include mailroom, child day care, Minority Male Initiative, Govt. Relation, Mobile Go, etc.

HOUSTON COMMUNITY COLLEGE SYSTEM

Auxiliary Budget By Fund

as of March 31, 2015

Auxiliary Funds - International and Committed Portions

	International			Committed					Total
	Saigon Tech	Qatar	Subtotal International	Minority Business Development Agency	Student Vending Commission	Student Activity Fee	Student Athletic Fee	Subtotal Committed	Total Auxiliary
Fund Balance – September 1, 2014			\$ 1,732,695	\$ 7,210	\$ 293,729	\$ 968,768	\$ 978,657	\$ 2,248,364	\$ 6,048,536
FY2015									
Revenue	46,666	2,444,056	2,490,722	11,358	56,000	934,363	704,862	1,706,582	8,779,912
Salaries	1,800	1,803,220	1,805,020		6,800	42,773	120,704	170,277	2,750,760
Benefits		362,998	362,998			197	29,543	29,740	582,850
Supplies Gen Exp	164	968	1,133		22,378	323,336	54,343	400,058	497,165
Travel	10,934		10,934		1,381	36,500	14,140	52,020	68,505
Marketing Costs			-					-	17,721
Rental & Leases			-				7,800	7,800	37,238
Contract Services		36,000	36,000		2,500	26,311	68,168	96,979	980,995
Utilities			-					-	219,360
Departmental Expenses		3,595	3,595		3,000	8,289	20,706	31,995	2,310,177
Instructional & Other			-					-	125,385
Materials			-					-	8,683
Maintenance & Repair			-					-	1,521
Insurance/Risk Mgmt			-			175	1,346	1,521	459,297
Exemptions and Waivers			-			28,710		28,710	-
Transfer			-					-	-
Capital Outlay			-					-	-
Total Expense	12,898	2,206,781	2,219,679	-	36,059	466,290	316,751	819,100	8,059,656
Contribution to Fund Balance	33,768	237,275	271,043	11,358	19,941	468,073	388,111	887,483	720,256
Auxiliary Fund Balance - Intl, Committed, Total			\$ 2,003,738	\$ 18,567	\$ 313,670	\$ 1,436,841	\$ 1,366,768	\$ 3,135,847	\$ 6,768,792

HOUSTON COMMUNITY COLLEGE
FY 2014-15 Adjusted Budget by Colleges
as of March 31, 2015

Budgeted Expenditures	CENTRAL	NORTH WEST	NORTH EAST	SOUTH WEST	SOUTH EAST	COLEMAN	EXTENDED LEARNING	SYSTEM	Grand Total
Salary	\$ 24,715,652	\$ 26,347,929	\$ 19,576,056	\$ 26,992,347	\$ 16,269,083	\$ 12,071,724	\$ 10,436,380	\$ 45,493,006	\$ 181,902,177
Employee Benefits	-	-	-	-	-	-	-	20,230,175	20,230,175
Supplies & Gen	276,987	285,206	229,627	281,581	254,274	264,625	182,405	3,858,368	5,633,073
Travel	129,280	123,304	42,172	60,478	59,211	129,865	66,232	623,273	1,233,815
Marketing Costs	23,351	28,912	57,270	28,367	78,437	10,542	158,287	981,825	1,366,991
Rentals & Leases	1,920	90,440	951,367	518,649	79,817	452,379	25,027	373,207	2,492,806
Insurance/Risk Mgmt	934	168	-	154	-	-	-	7,263,077	7,264,333
Contracted Services	326,417	279,754	77,381	36,807	67,097	281,923	20,992	22,177,123	23,267,494
Utilities	5,125	-	4,600	728	-	-	-	10,282,281	10,292,734
Other Departmental Expenses	60,644	57,687	41,576	43,565	126,065	97,175	44,523	1,363,626	1,834,861
Instructional And Other Materials	463,038	159,797	155,970	201,282	66,144	304,050	584,386	7,554,427	9,489,094
Maintenance and Repair	139,466	40,546	54,166	48,202	18,050	65,108	121,603	861,826	1,348,967
Transfers/Debt	-	864,206	5,640,442	1,250,001	-	-	-	24,802,980	32,557,629
Contingency	473,529	490,298	94,434	237,598	177,290	278,982	230,724	3,185,519	5,168,374
Capital Outlay	486,905	125,544	409,617	91,695	29,959	27,803	7,500	1,434,921	2,613,944
Total	\$ 27,103,248	\$ 28,893,791	\$ 27,334,678	\$ 29,791,454	\$ 17,225,427	\$ 13,984,176	\$ 11,878,059	\$ 150,485,634	\$ 306,696,467

Houston Community College
Balance Sheet By Fund
For Month Ended March 31, 2015

	<u>CURRENT & LOAN FUNDS¹</u>	<u>PLANT & BOND FUNDS²</u>	<u>Total All Funds</u>
ASSETS			
Current Assets:			
Cash & cash equivalents	\$ 188,712,774	\$ 42,411,124	\$ 231,123,897
Restricted cash & cash equivalents	9,624,399	-	9,624,399
Short term Investments	-	-	-
Accounts/Other receivable (net)	15,858,814	2,507,239	18,366,053
Deferred charges	136,812	-	136,812
Prepays	<u>111,696</u>	<u>2,019,896</u>	<u>2,131,593</u>
Total Current Assets	214,444,494	46,938,259	261,382,754
Non-current Assets:			
Restricted cash & cash equivalents	-	292,482,127	292,482,127
Restricted long-term investments	-	62,438,868	62,438,868
Long-term investments	12,674,653	-	12,674,653
Capital Assets, net	<u>-</u>	<u>915,809,965</u>	<u>915,809,965</u>
Total Non-current Assets	12,674,653	1,270,730,960	1,283,405,613
Total Assets	<u><u>\$ 227,119,147</u></u>	<u><u>\$ 1,317,669,220</u></u>	<u><u>\$ 1,544,788,367</u></u>
LIABILITIES			
Current Liabilities:			
Accounts payable	4,731,279	1,113,861	5,845,140
Accrued liabilities	680,949	18,991	699,940
Compensated absences	2,357,551	-	2,357,551
Funds held for others	645,696	189,209	834,906
Deferred revenue	663,649	107,841	771,490
Notes payable-current portion	-	-	-
Bonds payable-current portion	-	12,548,783	12,548,783
Capital lease obligations-current	<u>-</u>	<u>-</u>	<u>-</u>
Total Current Liabilities	9,079,124	13,978,685	23,057,809
Non-current Liabilities:			
Deposits	-	-	-
Notes payable	-	163,161,634	163,161,634
Bonds payable	-	743,883,061	743,883,061
Capital lease obligations	<u>-</u>	<u>102,299,058</u>	<u>102,299,058</u>
Total Non-current Liabilities	-	1,009,343,753	1,009,343,753
Total Liabilities	<u><u>\$ 9,079,124</u></u>	<u><u>\$ 1,023,322,438</u></u>	<u><u>\$ 1,032,401,561</u></u>
Fund Balance-			
August 31, 2014 Audited	115,964,207	263,786,241	379,750,448
Revenues Over Expenditures			
Unrestricted	101,682,794		101,682,794
Restricted	393,024		393,024
Net Investment in Plant		30,560,541	30,560,541
Total Fund Balances, Unaudited	<u><u>\$ 218,040,025</u></u>	<u><u>\$ 294,346,782</u></u>	<u><u>\$ 512,386,807</u></u>
Total Liabilities & Fund Balances	<u><u>\$ 227,119,149</u></u>	<u><u>\$ 1,317,669,220</u></u>	<u><u>\$ 1,544,788,367</u></u>

¹ Includes Unrestricted, Restricted, Loan & Endowment, Scholarship, Agency and Auxiliary Funds.

² Includes Unexpended Plant, Retirement of Debt and Investment in Plant Funds.

Houston Community College

Exemptions & Waivers

Through March 31, 2015

Account	FY 2013-14		FY 2014-15
	End of Year Activity	Year-to-Date Activity thru 03/31/2014	Year-to-Date Activity thru 03/31/2015
Tuition			
Budget:			
Adjusted Budget FY 2014-15, Net			\$ 41,453,277
Revenues Received:			
Tuition	45,771,753	39,236,768	40,456,367
Waivers & Exemptions:			
Dual Credit & Early College HS	(4,931,925)	(4,208,944)	(4,285,220)
Other	(2,100,332)	(1,800,102)	(1,393,300)
Total Waivers & Exemptions	(7,032,257)	(6,009,046)	(5,678,520)
Total Tuition Revenue, Net	\$ 38,739,497	\$ 33,227,722	\$ 34,777,847

Tuition - Extended Learning			
Budget:			
Budget FY 2013-14, Net			\$ 6,565,665
Revenues Received:			
Tuition	8,931,465	6,229,952	8,092,127
Waivers & Exemptions:			
Department of Corrections	(2,021,386)	(1,259,986)	(1,203,493)
Total EL Tuition Revenue, Net	\$ 6,910,079	\$ 4,969,966	\$ 6,888,634

Exemptions & Waivers	FY 2013-14		FY 2014-15		Actuals % Inc/(Dec)YTD vs. Prior YTD
	End of Year Activity	Year-to-Date Activity thru 03/31/2014	Year-to-Date Activity thru 03/31/2015		
Dept of Corrections	\$ 2,021,386	\$ 1,259,986	\$ 1,203,493		-4.5%
Dual Credit Waiver	2,790,344	2,484,582	3,255,443		31.0%
Early College High School	2,141,581	1,724,362	1,029,777		-40.3%
Other:					
Employee Fee Exemptions	69,909	58,488	48,046		-17.9%
Firemen	26,082	19,995	11,311		-43.4%
Hazelwood	1,416,167	1,230,789	834,950		-32.2%
Deaf & Blind	207,012	171,249	160,178		-6.5%
High Ranking Hi SCH Grad	1,240	1,240	1,805		45.6%
Child of Disabled Vet ETC	285	-	7,264		0.0%
Nonres Teach/Research Asst	6,372	5,487	6,098		11.1%
Nonres Competitive Scholar	11,346	11,346	8,558		-24.6%
Senior Citizens	15,532	14,243	12,505		-12.2%
Misc Tuition/Fees Waivers	6,576	576	-		0.0%
Scholarship Distribution	10,000	10,000	-		0.0%
A VISA Waiver (Non-Alien Waiver)	-	-	888		0.0%
Refugee Waiver	183	183	-		0.0%
Foster Children-Resident	300,508	257,830	217,956		-15.5%
Undocumented Students	11,383	11,383	5,378		0.0%
TX Tomorrow Waiver	2,912	2,558	2,788		0.0%
Surviving Spouse/Children	2,120	2,120	-		0.0%
Peace Officer Exemption	3,655	2,615	3,111		19.0%
Adopted Student Waiver	-	-	72,464		0.0%
Stipends	3,000	-	-		0.0%
Scholars Costs Funded by State	6,050	-	-		0.0%
Total Other Exemptions	2,100,332	1,800,102	1,393,300		-22.6%
Grand Total Exemptions & Waivers	\$ 9,053,643	\$ 7,269,032	\$ 6,882,013		-5.3%

REPORT ITEM

Meeting Date: May 14, 2015

Committee: *Facilities and Finance*

ITEM NO.	ITEM TITLE	PRESENTER
6	Presentation Regarding 2016 Budget Preliminary Information and Timeline, Including Historical Context	Dr. Cesar Maldonado Teri Zamora

DISCUSSION

Presentation regarding Operating Budgets to discuss the following:

- 1) Historical review of HCC budgets
- 2) Update on 2015 budget
- 3) Preliminary review of timeline, budget revenues and needs for 2016

DESCRIPTION OR BACKGROUND

The Texas Education Code, Section 51.0051 requires each governing board of an institution of higher education to approve an operating budget for the operation of the institution during the fiscal year beginning on September 1 of each year. Budget planning for HCC is underway, and involvement of the Board of Trustees in the process is crucial and informative to that process.

FISCAL IMPACT

A firm operating budget, inclusive of estimated revenues and planned expenditures, is crucial to the efficient and effective management of the college.

STRATEGIC INITIATIVES ALIGNMENT

Strategic Initiative: Support Innovation

This item is applicable to the following:

Central Coleman Northeast Northwest Southeast Southwest 3100

REPORT ITEM

Meeting Date: May 14, 2015

Committee: *Facilities and Finance*

ITEM NO.	ITEM TITLE	PRESENTER
7	Discuss Local Option Exemptions Related to Ad Valorem Taxes	Dr. Cesar Maldonado Teri Zamora

DISCUSSION

Discuss current levels of ad valorem tax exemptions for Homestead and Over 65/Disabled home owners and estimated reduction in tax revenues associated with various levels of increases in exemptions.

DESCRIPTION OR BACKGROUND

The current Homestead exemption is the greater of \$5,000 or ten percent of the value of the home.

The current Over 65/Disabled exemption is \$90,000.

FISCAL IMPACT

Each one percent increase in the Homestead exemption results in decreased operating tax revenues of approximately \$650,000 using the tax base certified in August 2014.

Each \$1,000 increase in the Over 65/Disabled exemption results in decreased operating tax revenues of approximately \$100,000 using the tax base certified in August 2014.

STRATEGIC INITIATIVES ALIGNMENT

Strategic Initiative: Support Innovation

Attachment Title(s): **Area Homeowners Exemption Amounts
Worksheet - Various Exemption Scenarios**

This item is applicable to the following:

Central Coleman Northeast Northwest Southeast Southwest 3100

Jurisdiction / Taxing Unit	Homestead Percent	Homestead Amount	Over 65 Amount	Disabled Amount	2012 Rate	2013 Rate	2014 Rate
BAYTOWN, CITY OF	20		50,000	50,000	0.82203	0.82203	0.82203
BELLAIRE, CITY OF	20		135,000	135,000	0.3999	0.3999	0.3936
CITY OF KATY	20		70,000	70,000	0.58672	0.56672	0.54672
DEER PARK ISD	20	15,000	43,300	43,300	1.5267	1.5567	1.5567
DEER PARK, CITY OF	20		50,000	50,000	0.72	0.72	0.72
HARRIS COUNTY	20		160,000	160,000	0.40021	0.41455	0.41731
HARRIS COUNTY DEPARTMENT OF EDUCATION	20		160,000	160,000	0.006617	0.006358	0.005999
HARRIS COUNTY FLOOD CONTROL DISTRICT	20		160,000	160,000	0.02809	0.02827	0.02736
HARRIS COUNTY HOSPITAL DISTRICT	20		160,000	160,000	0.18216	0.17	0.17
HARRIS COUNTY PORT OF HOUSTON AUTHORITY	20		160,000	160,000	0.01952	0.01716	0.01531
HARRIS-FT BEND ESD 100	20		100,000	100,000	0.09	0.0884	0.0884
HOUSTON ISD	20	15,000	15,000	15,000	1.1567	1.1867	1.1967
HOUSTON ISD (FORMERLY NFISD)	20	15,000	15,000	15,000	1.443219	1.1867	
HOUSTON, CITY OF	20		80,000	80,000	0.63875	0.63875	0.63108
LA PORTE ISD	20	15,000	60,000	60,000	1.33	1.33	1.45
LA PORTE, CITY OF	20		60,000	60,000	0.71	0.71	0.71
LEE JR COLLEGE DISTRICT	20		75,000	75,000	0.241	0.2607	0.2607
SPRING BRANCH ISD	20	15,000	31,400	15,000	1.3945	1.3945	1.3945
STAFFORD MSD	20	15,000	10,000	10,000	1.25	1.25	1.24005
WEBSTER, CITY OF	20		65,000	65,000	0.28528	0.2696	0.24874
PASADENA, CITY OF	15		50,000	50,000	0.591593	0.591593	0.576904
HOUSTON COMMUNITY COLLEGE	10		90,000	90,000	0.097173	0.097173	0.10689
PASADENA ISD	10	15,000	15,000	15,000	1.35	1.35	1.35
CLEAR CREEK ISD	5	15,000	28,330	28,330	1.36	1.4	1.4
LONE STAR COLLEGE SYSTEM DISTRICT	1		75,000	75,000	0.1198	0.116	0.1081
SAN JACINTO JR COLLEGE DISTRICT	1		127,500	127,500	0.185602	0.185602	0.185602
ALDINE ISD		15,000	20,000	20,000	1.328388	1.305888	1.285888
ALIEF ISD		15,000	23,330	10,000	1.32	1.29	1.28
BUNKER HILL VILLAGE			15,000		0.297855	0.297855	0.282855
CITY OF WALLER			20,000	20,000	0.5369	0.5369	0.5369
DAYTON ISD		15,000	24,300	10,000	1.208	1.208	1.198
HUFFMAN ISD		15,000	26,670	10,000	1.445	1.42	1.4
HUMBLE ISD		15,000	15,000	10,000	1.52	1.52	1.52
HUMBLE, CITY OF			160,000	160,000	0.2	0.2	0.2
KATY ISD		15,000	20,000	10,000	1.5266	1.5266	1.5266
MISSOURI CITY			15,000	10,000	0.5448	0.57375	0.565
PEARLAND ISD		15,000	13,800	10,000	1.4194	1.4157	1.4157
SPRING ISD		15,000	30,000	10,000	1.57	1.57	1.51
TOMBALL ISD		15,000	32,000	10,000	1.36	1.36	1.36
TOMBALL, CITY OF			90,000	90,000	0.341455	0.341455	0.341455
W UNIVERSITY PLACE, CITY OF			185,000	185,000	0.37411	0.374	0.36179
WALLER ISD		15,000	10,000	10,000	1.44	1.44	1.44

Source: Harris County Appraisal District (HCAD) Jurisdiction Information, <http://www.hcad.org/resources/jurlist.asp>

HOUSTON COMMUNITY COLLEGE SYSTEM

Tax Year 2015 Local Option Exemption

Estimated Ad Valorem Tax Revenue Impact

Scenario's for Incremental Increases to Homestead by 1% and Over 65/Disabled by \$1,000

	Exemption	Appraised Value	Exemptions	Taxable Value
Using HCC's Current Tax Rate	Total Tax Rate = \$0.106890 (M&O \$0.077055 +Debt Svc. \$0.029835)			
HCC Current	Homestead \$5,000 or 10% of Appraised Value (Whichever is Greater), Over 65/Disabled \$90,000	\$ 81,899,656,917	14,674,927,698	\$ 67,224,729,218
	Homestead 11% , Over 65 and Disabled \$91,000	\$ 81,899,656,917	\$ 15,383,676,468	\$ 66,515,980,448
	Homestead 12% , Over 65 and Disabled \$92,000	\$ 81,899,656,917	\$ 16,092,425,238	\$ 65,807,231,678
	Homestead 13% , Over 65 and Disabled \$93,000	\$ 81,899,656,917	\$ 16,801,174,008	\$ 65,098,482,909
	Homestead 14% , Over 65 and Disabled \$94,000	\$ 81,899,656,917	\$ 17,509,922,778	\$ 64,389,734,139
	Homestead 15% , Over 65 and Disabled \$95,000	\$ 81,899,656,917	\$ 18,218,671,548	\$ 63,680,985,369
	Homestead 16% , Over 65 and Disabled \$96,000	\$ 81,899,656,917	\$ 18,927,420,318	\$ 62,972,236,599

Potential Decrease in HCC Ad Valorem Tax Revenue Calculated at Current Rates		
M&O Tax	Debt Tax	Total Tax
\$ 0.077055	\$ 0.029835	\$ 0.106890
\$ -	\$ -	\$ -
\$ (546,126)	\$ (211,455)	\$ (757,582)
\$ (1,092,253)	\$ (422,910)	\$ (1,515,163)
\$ (1,638,379)	\$ (634,366)	\$ (2,272,745)
\$ (2,184,505)	\$ (845,821)	\$ (3,030,326)
\$ (2,730,632)	\$ (1,057,276)	\$ (3,787,908)
\$ (3,276,758)	\$ (1,268,731)	\$ (4,545,489)

*Tax Revenue Estimate is based on HCC's current tax rate of \$0.106890.

REPORT ITEM

Meeting Date: May 14, 2015

Committee: *Facilities and Finance*

ITEM NO.	ITEM TITLE	PRESENTER
8	Presentation Regarding Recommendations from the Procurement Review Committee	Dr. Cesar Maldonado Teri Zamora Rogelio Anasagasti

DISCUSSION

The Procurement Review Committee is near the end of its work, and has recommendations affecting the procurement policies, procedures and practices of HCC.

DESCRIPTION OR BACKGROUND

In July, 2014 a Procurement Review Committee was named, and has been meeting diligently to review HCC's policies, procedures and practices surrounding all facets of procurement activity.

FISCAL IMPACT

The College expends in excess of \$80 million annually in non-construction related goods and services. More efficient and effective procurement activities will result in direct budget savings as well as ease any inefficiencies and delays in the current process.

STRATEGIC INITIATIVES ALIGNMENT

Strategic Initiative: Support Innovation

Attachment Title(s): **List of Procurement Review Committee Members**

This item is applicable to the following:

Central Coleman Northeast Northwest Southeast Southwest 3100

Procurement Review Committee

Arturo Michel, Co-Chair

Linda Toyota, Co-Chair

Tod Bisch

Paul Como

Michael Edwards

Richard Huebner

Al Kashani

Greg Kieschnick

Ed Ryland

Lenora Sorola-Pohlman

Perry Wooten

REPORT ITEM

Meeting Date: May 14, 2015

Committee: *Facilities and Finance*

ITEM NO.	ITEM TITLE	PRESENTER
9	Update on 2012-2015 Strategic Plan	Dr. Cesar Maldonado

DISCUSSION

Provide an update on strategic plan outcomes for 2012-2015 Strategic Plan.

DESCRIPTION OR BACKGROUND:

HCC will continue to close the 2012-2015 Strategic Plan to inform the development of the next Strategic Plan.

FISCAL IMPACT:

N/A

STRATEGIC GOAL ALIGNMENT

Strategic Initiative: Respond to the needs of Business and Industry for a skilled workforce

Ensure instructional programs provide the knowledge and skills required for a 21st century learners

Enrich institutional capacity for faculty and staff professional development and student leadership development

This item is applicable to the following:

Central Coleman Northeast Northwest Southeast Southwest 3100