

The Board of Trustees of the Howard County Junior College District met for an executive session, budget workshop, and special meeting in the Board Room in the Student Union Building on the Big Spring site and by on Monday, August 14, 2023.

The following members of the Board and District Administration were present:

Dr. John Freeman, Chairman
Maxwell Barr, Vice-Chairman
Adrian Calvio, Secretary
Dr. Marisha Beck
Raul Marquez
Mark Morgan
Ben Zeichick

Dr. Cheryl T. Sparks, Ed.D., President
Dr. Amy Burchett, Ed.D., Executive Vice-President
Jeff Anderson, Interim Provost, SWCD
Pam Callan, Provost, San Angelo
Monica Castro, Executive Dean, Lamesa
Brenda Claxton, Chief Fiscal Officer/Controller
Eric Hansen, Chief Technology Systems/Data Security Officer
Rhonda Kernick, Chief HR Officer
Brenda Madore, Chief of Staff/Institutional Advancement Officer
Fabian Serrano, Chief Operations and Safety/Security Officer
Bryan Stokes, Chief Institutional Effectiveness Officer
Steve Smith, Chief Business Officer/Internal Auditor

Others present were:

Stephanie Bissonnette, Interpreter
Terry Deatherage, Security
Terry Hansen, Chief Special Projects Officer
Andreia Medlin, Big Spring Herald
Renee Porter, Interpreter
Shannon Stuteville, Executive Assistant
Shane Taiclet, District Director of Administrative Services/SA

Chairman Dr. John Freeman called the meeting to order at 9:12 a.m. The meeting was open to the public through a remote connection utilizing a toll-free number for audio purposes. The public was also entitled to participate and address the Board onsite. The meeting was recorded and is available on the website.

The Board immediately moved into Executive Session to meet with Mark Willis, Executive Director of the Big Spring Economic Development Corporation to discuss an economic development prospect. They also discussed an evaluation of the President. Upon conclusion of the Executive Session, the Board recessed for lunch.

After a short recess for lunch, Trustees reconvened at 12:12 p.m.

Next, Dr. Sparks presented the budget workshop presentation. She explained that the approved Vision and Values are the backbone of the budgeting process, with the strategic goals of access, student success, community and workforce development, and performance excellence at the forefront of budget planning as directed by the Board and outlined in the Strategic Plan. She discussed the HCJCD history of pay increases for employees and related that employee insurance rates have not changed from last year.

Dr. Sparks then provided an overview of the HC (Big Spring, Lamesa, and San Angelo) and SWCD preliminary budget preparations for Board consideration. She explained that the four campus budgets (Big Spring/District, Lamesa, San Angelo, and SWCD) are "balanced" for daily operations with specific initiatives included for the strategic goals on the different campuses. An updated HCJCD Projects, Deferred, and Preventative Maintenance plan contained budgeting needs relative to the physical resources on each campus and were included in the preliminary budgets that were to be presented to the Board that day. She discussed that certain infrastructure improvement projects would be paid for out of fund balance reserves at each of the

campuses. These expenditures have been planned for in advance and are in alignment with Board policy and goals.

She then provided Trustees with an overview of the District's fiscal resources including tuition and fee revenue, financial aid metrics, grants in progress, foundation assets, and the other sources of revenue. This led to a discussion about Texas House Bill 8 that recently passed and has "flip-flopped" community college appropriations in the State. Dr. Sparks discussed the new law and its impact on the funding formula and Howard College. SWCD is not impacted by the law as it is funded by a special line item in the State budget, however, SWCD administrators are tracking the same metrics as the other campuses.

Texas House Bill 8 (HB 8) has brought significant changes to how community colleges in Texas are funded. The bill aims to better support students' success and align their education with workforce needs. Dr. Sparks discussed the following HB8 basics.

New Funding Formulas

- Old System: Funding was greatly based on contact hours, which caused a focus on increasing enrollment and not credential attainment. Smaller colleges had difficulty competing with larger institutions and may not receive adequate funding.
- New System: Funding now focuses on student outcomes, like completing valuable credentials and transfer. We will be funded for each credential of value that is set out in the law. This will cause the need for HC to run much more like a business in real-time.

Outcome Metrics: HB 8 introduces four key metrics that determine funding.

- Credential of Value Attainment: Payment for students who earn degrees, certificates, or credentials with proven job value.
- Credential of Value in High-Demand Field: Increased payment for credentials in fields with strong job demand.
- Successful Transfer to Four-Year University: Payment for students who transfer to a four-year university.
- Dual Credit Completion: Payment for high school students who complete 15 hours of college-level courses.

Dr. Sparks explained that the funding model is composed of two tiers.

Performance and Base Tiers

- Performance Tier: Most or all of State appropriations will come from the Performance Tier. This tier is based on students achieving outcome metrics.
- Base Tier: Provides additional funding to small community colleges with a limited tax base. Howard College currently qualifies for base tier funding but with the increase in tax base continuing in the area it is projected that this will not be the case next year.

Dr. Sparks related that there has been a huge effort among Howard College administrators to take this recently released information and apply it to our specific situation. This was critical in creating accurate preliminary budgets and to forecast needed changes in operations. It was a great benefit to have Brenda Claxton as a member of the State Committee providing input to the Texas Higher Education Coordinating Board (THECB) during the rulemaking period. It allowed Howard College to have information earlier than some other colleges.

Dr. Sparks then discussed the certified tax base information for 2023. The adjusted tax base value has significantly increased again this year mainly due to mineral values in the county. She reviewed calculations that demonstrate the impact on average homeowners if the Board left the tax rate unchanged or increased it by different percentages. With the increase in value in the County it creates a situation where tax rates decrease if not adjusted by the Board. The Board discussed the revenue shortfall that will occur next year because of the loss of the base funding tier, which will occur as a result of increased property value in the county. They discussed that raising the tax rate by 6% could make up that shortfall for the Big Spring Campus and the average homeowner could still pay less than the previous year in taxes depending on what happened with their property appraisal. Dr. Sparks then completed her presentation.

At the conclusion of the Budget Workshop, Trustees recessed briefly for a break at 2:31p.m.

Next, Chairman Freeman reconvened the Trustees for a special meeting. Mr. Barr led the invocation. The public was invited to address the Board. There were no comments.

Trustees moved to New Business. The first item was Visioning/Future Directions.

Next, Trustees discussed Preliminary 2023-2024 Budgets for Howard College and SWCD and had a discussion of the tax rate. Trustees discussed increasing the tax rate due to the projected shortfall in revenue created by the new funding formula next year and that it could still result in a lowered tax payment for many homeowners due to the increase in the county tax base. Dr. Sparks sought guidance on how the Board would like that revenue applied to the preliminary Big Spring campus budget. Trustees indicated that the revenue produced from the tax increase should be applied to major repair projects that had been previously assigned to fund balance expenditure.

Next, Trustees considered a motion to proceed with consideration of an increase in the tax levy by 6%. The total tax rate would be \$0.154789 (maintenance and operations/\$0.140638 and debt rate/\$0.014151) for 2023 as compared to \$0.168395 (maintenance and operations/\$0.151942 and debt rate/\$0.016453) in 2022 or an -8.08% decrease. Using the appraisal value of a property valued at \$100,000, the tax levy to the taxpayer would decrease depending on what happened with the appraised value on that property. Mr. Zeichick made the motion. Mr. Morgan seconded the motion. All Trustees present voted in favor of the motion.

Next, Trustees considered a motion to approve the Lamesa, San Angelo, and SWCD preliminary budgets as part of the planned deficit budgets as presented with final discussion of the out-of-district tuition rate to be discussed at the August 28th Board Meeting. The Big Spring planned deficit budget would be amended as discussed. Step raises and broadbanding changes to the Employee List were included and an adjustment for a \$200,000 base salary for the President. Mr. Zeichick made the motion. Mr. Maxwell seconded the motion. All Trustees present voted in favor of the motion.

Next, Dr. Sparks informed Trustees that due to the decision to increase the tax rate above the No-New-Revenue Rate of \$0.146996, which will result in an increased tax levy, a notice will be posted in the paper and a hearing is required. Trustees considered a motion to schedule the required hearing on Monday, August 21, 2023, at 12:30 p.m. in the Board Room of the SUB on the Big Spring Campus. Mr. Zeichick made the motion. Mr. Calvio seconded the motion. All Trustees present voted in favor of the motion.

Next, Trustees considered a motion to approve a resolution supporting the planning and construction of the future interstate Highway 27 in Texas. Mr. Morgan made the motion. Dr. Beck seconded the motion. All Trustees present voted in favor of the motion.

Next, Trustees considered the naming of the recently renovated Music Building and certain spaces inside. It was proposed that the Music Building be named the Paul B. Adams Family Music Building in honor of the former Board of Trustees member Paul B. Adams and his family. Mr. Adam's daughter Carol is the donor that made the restoration of the building possible. It was also proposed that interior spaces be named the Clara R. Adams Rehearsal Hall, Paula S. Adams Classroom, Carol Ann Adams Piano Studio, and the Music Teacher Hall of Fame, which will honor seven local music teachers (finalizing names) who impacted the lives of the Adams family. Dr. Beck made a motion to approve the naming of the building and interior spaces as proposed. Mr. Calvio seconded the motion. All Trustees present voted in favor of the motion.

There were no items under the second item Performance Measures/Outcomes and so Trustees moved to the third item, Monitoring.

Next, Trustees considered Employee Handbook updates as presented (see attached). Mr. Morgan made a motion to accept the updates as presented. Mr. Zeichick seconded the motion. All Trustees present voted in favor of the motion.

Next, Terry Hansen gave an update on the Music Building and Library renovations. The work is nearly complete, and the contractor has assured Terry that they will have the buildings back by the end of August. The only thing that is lacking is some rooftop HVAC units that have been delayed for several months due to supply chain issues. Once those units are received it will only take a few days to install them. Fabian Serrano reported that the landscape plan for both projects is in place, and they have begun purchasing assets for that work. Everything should be ready for the upcoming dedications of each building.

Next, Trustees were updated on the implementation of the student information system by Eric Hansen and Dr. Amy Burchett. The Financial Aid and Business Offices are very busy processing students for the new year and working out implementation in the new system. Everyone is focused on core functionality for now. Reports are being run and regular meetings are being held to gather input on issues and provide support.

Next, Dr. Sparks reviewed the Board calendar of significant events. Students are beginning to move into the dorms, Dreams Week is coming up, and classes begin Monday. The next Board Meeting will be held August 21, 2023, to set the tax rate and then the regular meeting will be Monday, August 28, 2023.

Next, Dr. Sparks shared the exciting news that the Howard College San Angelo campus had received a \$400,000 grant from the Lowe's Foundation to fund the new Electrical/Plumbing Laboratory. Groundbreaking for that building will be held on September 14, 2023.

Trustees moved to the fourth item Board Education and Development.


Next, Dr. Sparks related that all Trustees had completed the required Cybersecurity training. Eric Hansen will file the report with the State certifying it has been completed.

Lastly, Dr. Sparks asked Trustees to share if they will be attending either the 2023 Community College Association of Texas Trustees (CCATT) Annual Conference and Regional Meetings or 2023 Association of Community College Trustees (ACCT) Annual Conference so that travel arrangements can begin. Trustees were reminded that our student will be recognized for her national award on Thursday morning of the conference.

There being no other business, Trustees adjourned at 3:21 p.m.



Dr. John Freeman, Chairman



Adrian Calvio, Secretary
By Brenda Madore