

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 on Monday, August 12, 2024.

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, 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, outgoing Chief HR Officer
Laurie Kincannon, Chief HR Officer
Dr. Brenda Madore, Chief of Staff/Institutional Advancement Officer
Fabian Serrano, Chief Operations and Safety/Security Officer
Brad Keller, Chief Institutional Research Officer
Steve Smith, Chief Business Officer/Internal Auditor

Others present were:

Stephanie Bissonnette, Interpreter
Robbie Creswell, Security
Renee Porter, Interpreter
Shannon Stuteville, Executive Assistant
Shane Taiclet, District Director of Administrative Services/SA
Mark Willis, Executive Director, Big Spring Economic Development Corp.

Chairman Dr. John Freeman called the meeting to order at 9:10 a.m. The budget workshop and special meeting were open to the public in the Board Room on the Big Spring Campus and through remote connection utilizing a toll-free number. The public was also entitled to participate and address the Board onsite. Those meetings were recorded and will be available on the website. Minutes will also be available on the website.

Shortly after calling the meeting to order, the Board moved into Executive Session to meet with Mark Willis, Executive Director of the Big Spring Economic Development Corporation to discuss the Samsung tax abatement application. They also discussed personnel matters. Upon conclusion of the Executive Session at 10:44 a.m., the Board took a brief break before convening for the budget workshop.

The budget workshop began at 10:50 a.m.

Next, Dr. Sparks gave the budget workshop presentation. She reviewed that the approved Vision and Values, which underpin the budgeting process, with the strategic goals of access, student success, community and workforce development, and performance excellence are 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 the Howard College preliminary budget recaps 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 materials that had been made available to Trustees. She discussed that certain infrastructure improvement projects would be paid for out of fund balance reserves at the Big Spring and SWCD campuses, creating deficit budgets. These expenditures have been planned for in advance and are in alignment with Board policy and goals. The Big Spring budget was prepared with a No New Revenue amount in the tax levy.

Based on the Board's longstanding goal to provide competitive employee pay, Dr. Sparks outlined the following initiatives for consideration as part of the budget presentation that would go into effect on September 1:

- All employees would receive the year of service step associated with the salary schedules their respective positions are on. Those steps were originally designed as a cost-of-living percentage factor for the average wage on the respective schedule.
- The non-exempt schedule was increased for beginning-level broad banded positions to reflect a \$15 per hour minimum wage. Those positions would see an increase of \$2810 and a step increase of \$270.11.
- The non-exempt schedule was broadened to accommodate 32 positions moving from the Professional Exempt Schedule. The broadened non-exempt schedule was also designed to address market comparisons for these types of positions. None of the positions decreased in amount but saw an increase. These positions will now be eligible for overtime and the year-of-service step increase of \$270.11. Supervisors will be informing employees in these positions about the changes in their respective positions.
- The Interpreter/non-exempt schedule was increased by \$11,000 to reflect a market adjustment of \$6,000 with the previous market adjustment of \$5000 which had been carried as a stipend absorbed as part of that total increase in the schedule. The step increase of \$463.26 for 9-month positions was also applied.
- The faculty schedule base increased by \$1,000. Faculty will receive respective step increases based on the length of contract (9 months/\$463.26; 10 months/\$514; 12 months/\$617.)
- The previous Professional Exempt and Administrative Exempt schedules were merged into one Exempt schedule. For those positions remaining on that schedule, the base salary increase was \$1250. The step is \$377.83. Some positions on the Exempt schedule have been reduced to fewer months in the contract as appropriate with none losing pay.
- The base salary schedule for the Cabinet schedule increased by \$2000. The step is \$569.41.
- The CEO step is \$760.99.

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. She also shared spreadsheets that had been created for each of the campuses and the district related to the new funding model brought about by Texas House Bill 8 (HB 8). She reviewed that HB8 has brought significant changes to how community colleges in Texas are funded. Howard College received an increase in Performance tier monies based on outcomes. She also shared that while Howard College had received base tier funding at a much reduced level this year, which was anticipated due to tax base valuation increases, we would be almost completely funded by performance tier funding in the coming year. This reduction in funding from the base tier had been planned for last summer. The base tier funding would be utilized this year for the pay increases proposed along with savings in the property insurance renewal.

As part of the budget presentation, Dr. Sparks also discussed the large number of unexpected expenditures in the past year related to infrastructure repairs on the Big Spring campus. She noted that much like a home, there are always possible unexpected problems that occur with aging infrastructure. Howard College used all of the funds allocated for those types of items and we will need to plan for more like them on all campuses.

Dr. Sparks then discussed the certified tax base information for 2024. The adjusted tax base value has increased again somewhat this year. 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. Dr. Sparks then completed her presentation.

At the conclusion of the Budget Workshop, Trustees recessed for lunch

Next, Chairman Freeman reconvened the Trustees for a special meeting at 12:32 p.m. Mr. Calvio led the invocation. Dr. Freeman recognized and welcomed Mark Willis, Executive Director of the Big Spring Economic Development Corporation.

The public was then invited to address the Board. There were no comments.

Next, Trustees moved to New Business, Visioning/Future Directions.

Next, Trustees considered the application for tax abatement that had been submitted by Samsung. Mark Willis, Executive Director of the Big Spring Economic Development Corporation discussed that this was the conclusion of a year-long process. He recommended approving an abatement schedule that was similar to the one that had been approved by Howard County. For the college, the abatement would be 100% abatement in the first year and 70% abatement in the following 4 years. The Samsung project will bring a large amount of capital investment into the area but will not produce many jobs. Mr. Zeichick made a motion to approve the application for abatement with the terms recommended by Mr. Willis. Mr. Barr seconded the motion. All Trustees present voted in favor of the motion.

Next, Trustees considered giving Dr. Sparks authority to complete the preliminary 2024-2025 budgets for Howard College and SWCD as presented and discussed in the Budget Workshop. The final budget would be approved in the upcoming August 26 regular meeting. Mr. Barr made a motion. Mr. Calvio seconded the motion. All Trustees present voted in favor of the motion.

Next, Trustees considered the proposed tax rate for 2024-2025. Information had been provided in the Budget Workshop about the increase in values in the taxing district and the potential impact on taxpayers at a No New Revenue rate and possible increases. Trustees discussed proceeding with an increase in the M&O tax levy to help offset increasing infrastructure repairs. Dr. Sparks told Trustees that Brenda Claxton would be preparing required notices for newspaper and website publications that would provide information to taxpayers. The final decision to increase the tax levy requires a public hearing and adoption of the tax rate would be August 26. Mr. Zeichick made a motion to increase the proposed tax rate for 2024-2025 by 6.5%. Mr. Morgan seconded the motion. All Trustees present voted in favor of the motion.

Next, Trustees considered scheduling the required tax hearing on Monday, August 19, 2024, at 12:30 p.m. in the Board Room of the Student Union Building on the Big Spring campus. The budget hearing will be held at 12:30 p.m. on Monday, August 26, 2024, as part of the regular Board meeting. The final consideration and adoption of the tax rate will also be on August 26, 2024. Mr. Calvio made a motion to schedule the required tax hearing on Monday, August 19, 2024, at 12:30 p.m. Mr. Barr seconded the motion. All Trustees present voted in favor of the motion.

Next, Trustees considered an update to the Howard College Mission. Dr. Sparks explained that due to legislative action and upcoming SACSCOC accreditation the mission of the institution needed some updates (see attached). Mr. Barr made a motion to approve the Mission update as presented. Mr. Calvio seconded the motion. All Trustees present voted in favor of the motion.

Next, Trustees were given a brief update on the recently updated Institutional Procedural Calendar. The calendar is an internal document that assists with the management of the planning and evaluation process.

Next, Trustees received an update on the Legislative Appropriation Request (LAR). Dr. Sparks explained that the Texas Association of Community Colleges (TACC) provides guidance on our submission. The information from TACC is expected in the next few days. In addition to the request for the entire institution, Howard College also submits as part of the Howard College LAR, a request specifically for SWCD, since it is funded as a non-formula item in the Howard College budget. There have been no increases in operating funds received for SWCD in 8 years. Dr. Sparks explained that due to increases in inflation and operating costs we would be requesting an increase for SWCD this year. The LAR is due Friday, August 16, 2024.

Next, Trustees received an informational update on the recently received Tax Assessor budget. The document outlines the Howard College portion due, which is included in the preliminary budget.

Next, Trustees moved to Performance Excellence. They tabled the agenda item Public Funds

Investment Act/Rider 5 Audit until the August 26, 2024, meeting.

Next, Trustees moved to Monitoring.

Next, under Purchasing, Trustees considered the property and casualty insurance renewal proposal. Dr. Sparks shared that the renewal was approximately \$500,000 lower than last year. This reflects that some sizable events/claims were now aging off our history. This is a very welcome development. Mr. Calvio made a motion to approve the insurance renewal as presented. Mr. Marquez seconded the motion. All Trustees present voted in favor of the motion.

Next, Trustees received a brief update on the upcoming paving project that is being completed in cooperation with the city. Various areas were being coordinated to reduce impact on student and community traffic. On Thursday of the week all employees were being asked to park in the Memorial Stadium parking lot so that parking areas could be completed.

Next, Dr. Sparks shared that the Board calendar of significant events had been updated through the end of the year to provide Trustees with an overview for planning purposes. The next regular Board Meeting will be held August 26, 2024, with the tax hearing on August 19, 2024. She also noted that Trustees had been provided with a list of upcoming Board Meeting dates, as well as important community events for 2025.


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 told Trustees that plans for the 2024 Community College Association of Texas Trustees (CCATT) Annual Conference and the 2024 Association of Community College Trustees (ACCT) Annual Conference were in progress.

There being no other business, Trustees adjourned at 12:55 p.m.



Dr. John Freeman, Chairman



Adrian Calvio, Secretary
By Brenda Madore