



AGENDAS

BOARD OF TRUSTEES COMMITTEE MEETINGS

August 13, 2015

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



MEMORANDUM

TO: HCC Board of Trustees
FROM: Board Services
DATE: August 7, 2015
RE: Meetings for August 2015

Dear Trustees:

Please note that the following meetings are scheduled for August 2015 at the HCC Admin. Building, 3100 Main, 2nd Floor Auditorium, Houston, Texas 77002:

Monday, August 10, 2015

- **Special Meeting (Budget Workshop) - 10:00 a.m.**
(*Quorum of the Full Board Required*)

Thursday, August 13, 2015

- **Audit Committee – 2:00 p.m.**
(*Members: Trustee Glaser-Committee Chair, Trustee Oliver and Trustee Wilson; Alternate Member-Dr. Tamez*)
- **External Relations Committee – 2:30 p.m.**
(*Members: Trustee Mullins-Committee Chair, Trustee Loredo and Trustee Evans-Shabazz; Alternate Member-Trustee Wilson*)
- **Academic Affairs/Student Services Committee – 3:00 p.m.**
(*Members: Trustee Loredo-Committee Chair, Dr. Tamez and Trustee Wilson; Alternate Member-Trustee Capo*)
- **Committee of the Whole Meeting - 4:00 p.m.**
(*Quorum of the Full Board Required*)

Thursday, August 20, 2015

- **Chancellor Evaluation Committee – 12:00 p.m.**
(*Members: Trustee Tamez-Committee Chair, Trustee Capo and Trustee Loredo; Alternate Member-Trustee Evans-Shabazz*)
- **Regular Board Meeting – 4:00 p.m.**
(*Quorum of the Full Board Required*)



AGENDA

AUDIT COMMITTEE OF THE BOARD OF TRUSTEES

Committee Members

Trustee Robert Glaser, Chair
Trustee Christopher W. Oliver
Trustee Dave Wilson

Alternate Member

Dr. Adriana Tamez

August 13, 2015
2:00 p.m.

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

**NOTICE OF A MEETING OF THE BOARD OF TRUSTEES
HOUSTON COMMUNITY COLLEGE**

AUDIT COMMITTEE

August 13, 2015

Notice is hereby given that a Meeting of the Audit Committee of the Board of Trustees of Houston Community College will be held on Thursday, thirteenth (13th) day of August, 2015 at 2:00 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 Committee Chair and items listed for closed session discussion may be discussed in open session and vice versa as permitted by law. Actions taken at this Meeting do not constitute final Board action and are only Committee recommendations to be considered by the Board at the next Regular Board meeting.

I. Call to Order

II. Topics for Discussion and/or Action:

A. Internal Audit Quarterly Report.

III. Adjournment to closed or executive session pursuant to Texas Government Code Sections 551.071; 551.072 and 551.074, the Open Meetings Act, for the following purposes:

A. Legal Matters

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 changes against an officer or employee, unless the officer or employee who is the subject of the deliberation or hearing requests a public hearing.

Houston Community College
Audit Committee – August 13, 2015

C. Real Estate Matters

1. 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 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

Houston Community College
Audit Committee – August 13, 2015

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 of Notice

On this 10th day of August, 2015, at or before 2:00 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) Administration Building of the Houston Community College, 3100 Main, First Floor, Houston, Texas 77002; (2) the Harris County's 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 Fort Bend County public meeting notices 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

REPORT ITEM

Meeting Date: August 13, 2015

Committee: *Audit Committee*

ITEM NO.	ITEM TITLE	PRESENTER
A	Internal Audit Quarterly Report	Dr. Cesar Maldonado Belinda Brockman

DISCUSSION

The Internal Auditor meets quarterly with the Audit Committee to discuss the status of the annual audit plan and to review the follow-up report on recommendations from previously completed audits.

DESCRIPTION OR BACKGROUND

The Board of Trustees adopted the Audit Committee Action Calendar, which calls for quarterly updates.

FISCAL IMPACT

Department functions per approved operating budget.

STRATEGIC INITIATIVES ALIGNMENT

Strategic Initiative: Support Innovation

Attachment Title(s):

1. Follow-up Schedule of Completed Internal Audits
2. Summary of Recent Audit Reports
3. Projects on 2014-2015 Internal Audit Plan

This item is applicable to the following:

Central Coleman Northeast Northwest Southeast Southwest 3100

Follow-up Schedule on Completed Internal Audits

Report Name & Res. Party	Recommendation	Response	Current Status	Comments	Expected Comp Date
12-09 Fixed Assets R. Anasagasti	3.* The Purchasing Department should check the G/L sub-acct. codes on requisitions for equipment purchases for accuracy.	A simple PPT training guide is being prepared to share with college business offices in addition to training all folks in Procurement so that we can improve the quality assurance on our end. In addition, we can include this in a "go to" section of My HCC with quick training topics.	Completed		
12-09 Fixed Assets K. Hoyle	5.* Asset Management and IT should re-examine the "Category" classifications that link to the "Profiles" to ensure an appropriate useful life table for depreciation.	Asset Management will coordinate a meeting with G/L Management and IT to determine how to properly address this matter 07/17/2015 at 2:00p.m.	Incomplete	K. Hoyle requested a meeting with G/L and IT on 4/14/2015. IA granted an extension due to circumstances involving CIP. There was also a change in G/L Directors causing further delay.	7/27/2015

*Items are carryovers from the last follow-up.

Summary of Recent Audit Reports

Audit Number/Name	Audit Finding	Finding Support	Management Response	Resp. Party	Expected Completion Date
14-14 BCP	The processes for the creation, maintenance and testing of business continuity plans(BCP) need to be developed.	Emergency Management Plans were found for the colleges as of 2014. These plans did not contain BCP. Some departments had BCPs. Responsibility for the BCP processes has not been delineated.	1. The Office of General Counsel will convene an assembly of stakeholders to begin the process by Dec 2015. 2. The Office of Risk Management will lead in the development of the Business Continuity Plan through completion and implementation. 3. Funding for appropriate personnel , development and implementation of plan will be provided.	Ashley Smith Ashley Smith Teri Zamora	January 15, 2016 October 31, 2016 September 1, 2015
14-21 Payroll	1 Need to establish individual passwords for sites allowing them. Prevent sharing of passwords. Do not write logins and passwords in documentation. Clarify roles on the access form.	Found documented passwords, found passwords to seven outside systems being shared. Found populated roles with access to PS-HR which were not on access approval form.	System passwords and login ids have been removed. Individual id's and passwords for access to outside agencies are being established.	Stuart Evans	October 1, 2015
	2 HR needs to review processes for data extraction and reporting to assure data is accurate	Analytical tests were impeded since data provided was incomplete or incorrect. Expected reports such as payroll registers were not available for all the time periods requested.	HRIS has recently realigned resources to significantly upgrade the analyst's skillset with the addition of a Business Intelligence Analyst.	Hina Naik	Completed
	3 Approval of lapsed time is sometimes more than one pay period in arrears. Managers should be reminded of issue when time is not approved within one pay period.	3 employees had lapsed time approved in arrears. 1 employee had lapsed time approved 3 pay periods in arrears.	Emails are sent to one-up managers.	Stuart Evans	Completed
	4 Non-exempt employees are not clocking out for lunch	40% of the sample tested failed to clock out for lunch 70% of the time	Advisories will be sent via HR alerts reminding personnel and supervisors of the need to log in and out for meals.	Stuart Evans	October 1, 2015
	5 Internal controls over the mailing and pick up of checks can be strengthened.	Logs for check pick-up are not preprinted. The Aug. check log was not signed for, and the process did not have supervisor approve the mail and pick-up check logs.	Payroll has developed a Check Log process to account for all checks as well as capturing check information in the payroll processing worksheet.	Stuart Evans	Completed

Projects from 2014-2015 Internal Audit Plan

Number	Name	Stage	Report Date	Scope
14-14	Business Continuity Planning	Completed	4/2/2015	Adequacy of processes to Create, Test and Maintain Business Continuity Plans.
14-21	Payroll Application Audit	Completed	5/29/2015	Evaluate payroll processes, policies, and procedures to determine if controls in place are appropriate. Assess the general and specific IT risks and controls affecting the timelines, reliability, integrity and accuracy of payroll data.
15-11	Financial Management	Assigned		Classification of expenditures, compliance
15-12	Human Resources Operations			
15-13	Procurement Operations			
15-14	Student Financial Aid Operations			
15-16	Web Presence	Assigned		Adequacy of processes to assure proper positing of catalog, policies, and handbooks.
15-17	Veterans Affairs Dept	In Progress		Concerning adequacy and effectiveness of controls to meet Federal Time requirements.
15-18	IT Governance and Planning	In Progress		Concerning Security Governance and Policy/Procedure alignment.
15-30	Quarterly Significant Findings follow up	Completed	4/17/2015	
15-30b	Quarterly Significant Findings follow up	Completed	7/17/2015	
15-40	Monitoring Projects (IDEA)	Audit Being Reviewed		Dual 1099/W2 recipients
15-40b	Monitoring Projects (IDEA)	In Progress		Part-time employee hours

OTHER INTERNAL PROJECTS/INVESTIGATIONS

Number	Name	Stage	Report Date	Scope
14-108	Continuing Ed	Completed	5/6/2015	SAO Hotline: Allegations regarding instructors being pressured by management to change grades.
14-109	In District Refund	Completed	2/23/2015	SAO Hotline: Allegations regarding improper recognition of residency status and refund of financial aid. Situation resolved.
14-110	Falsified Information on FAFSA	Completed	3/13/2015	SAO Hotline: Allegations of student claiming children as dependents to increase Financial Aid. Children acknowledged but not claimed as dependents.
15-101	Veteran Affairs Benefits	In Progress		Mgmt: Complaint that a non veteran employee was given a VA benefit improperly by a fellow employee.
15-102	SE	In Progress		SAO Hotline: Allegations of improper sexual behavior by supervisor leading to benefits for an employee.

EXTERNAL AUDITS

Name	Stage	Report Date	Scope
DOE/HGAC Weaver Risk Advisory Services	Completed	5/13/2015	Financial Monitoring and Billing Review HGAC Contract on Adult Education.
JCARS Safety and Security Assessment	In Progress		Self Assessment using JCARS tool of safety and security as required by TEC §37.108.
GT External Financial Audit	In Progress		The annual financial and single audit performed by Grant Thornton



AGENDA

EXTERNAL RELATIONS COMMITTEE OF THE BOARD OF TRUSTEES

Committee Members

Trustee Sandie Mullins Chair

Dr. Carolyn Evans-Shabazz

Trustee Eva Loreda

Alternate Member

Trustee Dave Wilson

August 13, 2015

2:30 p.m.

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

**NOTICE OF A MEETING OF THE BOARD OF TRUSTEES
HOUSTON COMMUNITY COLLEGE**

EXTERNAL RELATIONS COMMITTEE

August 13, 2015

Notice is hereby given that a Meeting of the External Relations Committee of the Board of Trustees of Houston Community College will be held on Thursday, thirteenth (13th) day of August, 2015 at 2:30 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 Committee Chair and items listed for closed session discussion may be discussed in open session and vice versa as permitted by law. Actions taken at this Meeting do not constitute final Board action and are only Committee recommendations to be considered by the Board at the next Regular Board meeting.

I. Call to Order

II. Topics for Discussion and/or Action:

A. Legislative Report.

B. Update on HCC 2016 Application to the Commission of Presidential Debates

III. Adjournment to closed or executive session pursuant to Texas Government Code Sections 551.071; 551.072 and 551.074, the Open Meetings Act, for the following purposes:

A. Legal Matters

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 changes against an officer or employee, unless the officer or employee who is the subject of the deliberation or hearing requests a public hearing.

The Houston Community College Board of Trustees (the "Board") will not consider or act upon any item before this committee. This meeting is not a Regular Meeting of the Board but because a quorum of the Board may attend, the meeting of this committee is also being posted as a Meeting of the Board.

Houston Community College
External Relations Committee – August 13, 2015

C. Real Estate Matters

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IV. Additional Closed or Executive Session Authority

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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.

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Houston Community College
External Relations Committee – August 13, 2015

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.

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Sharon R. Wright, Manager
Board Services

REPORT ITEM

Meeting Date: August 13, 2015

Committee: *External Relations*

ITEM NO.	ITEM TITLE	PRESENTER
A	Legislative Report	Dr. Cesar Maldonado Remmele Young

DISCUSSION

Provide an overview of relevant policy matters emerging from the Texas 84th legislative session.

DESCRIPTION OR BACKGROUND

The Texas 84th legislative session convened and adjourned sine die, January 13, 2015 and June 1, 2015, respectively. After 140-days of legislative deliberation, policy changes emerged that impact the state of Texas, and particularly for reporting purposes, the higher education sector, which includes community colleges.

Houston Community College (HCC) advanced its board-adopted legislative priorities during the 84th legislative session and worked to inform the legislature about matters potentially impacting the community college sector. These policy priorities, in part, included contact hours and student success funding, authorizing community colleges to offer baccalaureate degrees, carrying concealed handguns on campus, tax reformation, among other important policy considerations.

The HCC "Final Report -- 84th Legislative Session" provides an overview of relevant policy matters emerging from the 84th legislative session. It also positions HCC to comply with new state laws and policy standards and assess next steps as the College enters the interim-session period.

FISCAL IMPACT

Presently unavailable.

STRATEGIC GOAL ALIGNMENT

Strategic Initiative: Increase Student Completion

Respond to the Needs of Business and Industry

Attachment Title(s): **Final Report - 84th Legislative Session**

This item is applicable to the following:

Central Coleman Northeast Northwest Southeast Southwest 3100



DRAFT

FINAL REPORT

84TH LEGISLATIVE SESSION

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INTRODUCTION

This final report provides a synopsis of legislation passed during the Texas 84th regular legislative session. It is predominantly relevant to community colleges, including Houston Community College (HCC). The report's purpose is to provide an overview of the session's results and to introduce the reader to new laws passed during the aforementioned session. It also positions HCC to comply with new state laws and policy standards.

As the reader considers this final report, general observations include:

- The Legislature approved a budget of \$209.4 billion (All Funds), including \$102.8 billion (General Revenue), and it pays \$4 billion in tax relief to homeowners and businesses;
- The governor exercised his veto authority and reduced \$233 million from discretionary funding, and \$295 million overall;
- HCC's base formula funding increased by 1.2% from \$138,297,870 in 2014-2015 to \$139,990,854 in 2016-2017;
- The HCC-UT Tyler rider funding request for \$3.2 million failed passage;
- Key policy makers agreed to address the HCC baccalaureate degree measure during the interim session period;
- The Legislature eliminated the ERS 90-day waiting period for new employees to contribute and earn benefits; and
- Carrying concealed handguns on the campuses of higher education institutions, with the opportunity to consider certain factors, is permissible in the state of Texas.

The 84th legislative session adjourned *sine die* June 1, 2015. During the session, there were 6,276 bills filed and 1,322 passed. HCC tracked 460 bills and identified 71 that have impact on the institution. This report provides an overview of the latter identified bills, the bills' purpose and effective date to ensure HCC's compliance with the law. This is HCC's final report of the 84th regular legislative session.

STATE OF TEXAS APPROPRIATIONS

The 2016-2017 appropriation for the State of Texas includes:

- \$209.4 billion from all fund sources in HB1, the General Appropriations Act, an increase of \$11.2 billion from the 2014-2015 biennial funding.
- \$102.8 billion in general revenue funding, an increase of \$71.4 billion from the 2014-2015 biennial funding.
- The appropriation for community colleges, increased by \$32.1 million over the prior biennium to \$1.745 billion.
- The governor vetoed \$233 million from discretionary funding, and \$295 million overall.

COMMUNITY COLLEGES APPROPRIATIONS

The 2016-2017 general revenue appropriation for all community colleges includes:

- \$1.7 billion (as compared to \$1.54 billion in the prior biennium) total funding.
- \$169 million student success funding.
- \$1.5 billion contact hour funding.
- \$50 million core operations funding (\$1 million to each community college).

REPORTING REQUIREMENT (RIDERS 23)

Each public community/junior college shall submit a report to the Legislative Budget Board no later than December 1 of each fiscal year. The report shall include the number of contact hours and success points generated by each campus of the public junior college district in the prior fiscal year and the amount of formula funding transferred to each campus of the public junior college district in the prior fiscal year. The report must also provide the total tuition and fee revenue collected at each campus of the public junior college district in the prior fiscal year and the amount of total tuition and fee revenue that each campus transferred to another campus in the prior fiscal year.

COMMUNITY COLLEGES EMPLOYEE GROUP INSURANCE

The Higher Education Group Insurance (HEGI) appropriation for all community colleges is as follows:

- \$153,911,789 (FY2016)
- \$164,932,067 (FY2017)

Total: **\$318,843,856**

Unlike other higher education institutions, there is no internal audit requirement for community colleges.

TEACHERS RETIREMENT SYSTEM AND OPTIONAL RETIREMENT PROGRAM

- TRS-Higher Education state contribution is \$222,920,462 and \$231,758,217 in fiscal years 2016 and 2017, respectively, based on a state contribution rate of 6.8 percent of payroll in each year of the 2016-17 biennium, estimated.
- The limitation on general revenue for TRS, as it applies to community colleges, is restricted to 50 percent of the state contribution of 6.8 percent in fiscal year 2017 of the total covered payroll.
- ORP state contribution is \$163,759,847 and \$162,499,596 in fiscal years 2016 and 2017, respectively, based on a state contribution rate of 6.6 percent of payroll in each year of the 2016-17 biennium, estimated.
- Institutions authorized to provide ORP to their employees may use either local funds or other sources to supplement the General Revenue Fund appropriation at a rate up to 1.9 percent of payroll.
- If applicable, relating to ORP, higher education institutions shall certify estimates of state contributions required for payment to the Comptroller.
- The limitation on general revenue for ORP, as it applies to community colleges, is restricted to 50 percent of the state contribution of 6.6 percent for each year of the 2016-17 biennium.

STUDENT FINANCIAL AID AND GRANTS

For the 2016- 2017 biennium:

- Texas Grants funding is \$715 million.
- B-On-Time (Public) funding is \$63.4 million.
- Texas Education Opportunity Grant Program (JUCO) funding is \$86.4 million.
- Accelerate Texas Community Colleges Grants funding is \$4 million.
- Developmental Education (DE) Program funding is \$1.6 million.

HIRE LOCAL FIRST

HCC's "hire local first" legislation (HB 1410 and SB 1199), relating to consideration of a bidder's principal place of business by public junior college districts in awarding contracts, failed passage.

BACCALAUREATE IN NURSING (BSN)

BSN legislation (HB 1384 and SB 271), relating to authorization by the Texas Higher Education Coordinating Board for certain public junior colleges to offer baccalaureate degree programs, failed passage. The Senate bill author and Senate Higher Education committee chair committed to work on this policy matter during the interim-session in preparation for its consideration next session. HB 1384 passed out of committee and was set on the House Calendar where it remained.

DUAL CREDIT STATUTORY CHANGE

Now law, SB 1004 authorizes a public junior college with a service area located wholly or partly in a county with a population of more than three million to enter into an articulation agreement with each school district to provide dual credit courses. The language "population of more three million" identifies the geographic location of Harris County, Texas, which has more than three million people.

HCC SPECIFIC APPROPRIATIONS

The HCC specific appropriation is as follows:

- Contact Hour Funding 2016: **\$ 63,010,955**
- Contact Hour Funding 2017: **\$ 63,010,954**
- Core Operations Funding: **\$ 1,000,000**
- Student Success Funding 2016: **\$ 6,484,473**
- Student Success Funding 2017: **\$ 6,484,472**

Total 2016-2017 base funding: **\$139,990,854**

Above total is **1.2 percent greater** than the prior biennium appropriation.

Prior biennium (2014-2015) appropriation: **\$138,297,870**

HCC EMPLOYEE BENEFITS (HEGI)

The HCC HEGI appropriation is as follows:

- \$10,596,777 (2016)
- \$11,355,196 (2017)

Total: **\$21,951,973**

HCC EXCEPTIONAL ITEMS REQUESTS

While HCC requested \$7.5 million in exceptional items funding via its Legislative Appropriations Request (LAR) for projects relating to Oil & Gas Workforce, Bachelor of Science in Nursing, and Expansion and Filmmaking, the Legislature did not fund any portion of the request for the 2016-2017 biennium.

RELEVANT LEGISLATION

APPROPRIATIONS/FISCAL MATTERS

HB 1 (by Otto/Nelson)

General appropriations bill – *relating to appropriations for the 2016-2017 biennium.*

The bill identifies state appropriations to all state agencies and other entities, including higher education institutions, for the 2016-2017 biennium. The governor exercised his line-item veto authority and reduced the budget by \$295 million.

Effective Date: June 20, 2015.

HB 2 (by Otto/Nelson)

Relating to making supplemental appropriations and giving direction and adjustment authority regarding appropriations.

The bill appropriates \$280.1 million in general revenue funds – \$503.2 million in all funds – for fiscal 2015 to a number of state agencies. It also reduces fiscal year 2015 appropriations to certain agencies and adjusts the authority that some agencies have over certain appropriations. The governor exercised his line-item veto authority and deleted an appropriation to the Facilities Commission – Texas Department of Motor Vehicles, effective immediately.

Effective Date: June 20, 2015.

HB 6 (by Otto/Hinojosa)

Relating to the creation and re-creation of funds and accounts, the dedication and rededication of revenue, and the exemption of unappropriated money from use for general governmental purposes.

The bill updates references to the Government Code that govern the use of dedicated revenues to extend its provisions through 2017 and to make such provisions apply to the 84th Legislature.

Effective Date: June 19, 2015.

HB 7 (by Darby/Nelson)

Relating to certain fiscal matters affecting governmental entities; reducing or affecting the amounts or rates of certain taxes, assessments, surcharges, and fees.

The bill modifies provision governing general revenue dedicated funds and accounts. It also modifies fees, eligible uses funds, procedures, and other provisions.

Effective Date: September 1, 2015.

HB 32 (by Bonnen *et al.*)

Relating to the computation and rates of the franchise tax; decreasing tax rates.

Changes tax rates – by 25% – applicable in determining franchise tax liability and the amount of total revenue.

Effective Date: January 1, 2015.

HB 1378 (by Flynn/Bettencourt)

Relating to the fiscal transparency and accountability of political subdivisions.

The bill requires a political subdivision to compile and report certain debt information. The bill further permits a political subdivision to submit the financial information to the Comptroller who must then post the debt obligation to the Comptroller's website, and the political subdivision must include a link on its website to the Comptroller's website where the debt information appears.

Effective Date: January 1, 2015.

HB 2083 (by Darby/Hancock)

Relating to the determination of the appraised value of property for purposes of an ad valorem tax protest or appeal.

The bill requires the use of generally accepted appraisal methods in appeals. It also requires that the selection of comparable properties and the application of adjustments made to the appraised value of a property be based on generally accepted appraisal methods.

Effective Date: January 1, 2016.

SB 1 (by Nelson/Bonnen)

Relating to certain restrictions on the imposition of ad valorem taxes and to the duty of the state to reimburse certain political subdivisions for certain revenue loss; making conforming changes.

The bill reduces the property tax burden on homeowners, while holding school districts harmless for any local revenue lost as a result of the aforementioned reduction. It increases the homestead exemption from \$15,000 to \$25,000. It applies to an individual 65 years of age or older or one deemed disabled.

Effective Date: June 15, 2015.

HUMAN RESOURCES

HB 9 (by Flynn/Huffman)

Relating to the Employee Retirement System of Texas.

The bill increases the member contribution rate from 7.2 percent in FY2016, and 7.5 percent in FY2017, to 9.5 percent in both fiscal years and beyond. The member contribution rate would be reduced beyond FY2017 if the state contribution rate is less than 9.5 percent.

Effective Date: September 1, 2015.

HB 197 (by Flynn/Huffman)

Relating to requiring certain public institutions of higher education to post information regarding mental health resources on the institution's Internet website.

The bill requires certain public institutions of higher education, including public junior colleges, to create a web page on the institution's website dedicated solely to information regarding the mental health resources available to students at the institution. The site also must include the address of the nearest local mental health authority.

Effective Date: September 1, 2015.

HB 437 (by Campbell *et al.*)

Relating to eligibility to participate in health benefit programs for certain state employees reemployed after military service.

The bill amends the Insurance Code to provide insurance coverage on the first day of reemployment for employees who return to their state position upon discharge, separation, or release from active military duty.

Effective Date: September 1, 2015.

HB 445 (by Lucio *et al.*)

Relating to providing notice of the availability of paid leave for military service to public officers and employees.

Requires written notice be given to officers and employees regarding the availability of paid leave for military service.

Effective Date: September 1, 2015.

HB 966 (by Crownover/Hancock)

Relating to the creation of an optional consumer-directed health plan for certain individuals eligible to participate in the group benefits program provided under the Texas Employees Group Benefits Act and their qualified dependents.

Among other things, the bill requires the Employee Retirement System to establish a consumer-directed health plan, which would include a high deductible health plan and a health savings account as an option of Group Benefit Program participants. Participation in the program is voluntary.

Effective Date: September 1, 2015.

HB 1771 (by Raney/Kolkhorst)

Relating to the donation of sick leave by state employees.

The bill allows state employees to donate any amount of their accrued sick leave to another employee at the same agency who has exhausted their own sick leave and any sick leave pool amounts available to them. An employee may neither receive nor provide remuneration in exchange for the donation of sick leave.

Effective Date: September 1, 2015.

HB 1937 (by Darby/Fraser)

Relating to procedures and eligibility for terminating participation in the Teacher Retirement System of Texas deferred retirement option plan.

The bill allows revocation of participation in the deferred retirement option plan (DROP) on or before December 31, 2015, as if the member never participated, provided, the member's DROP period has expired, and they have not retired before this date. The bill also allows DROP revocation for an eligible beneficiary.

Effective Date: September 1, 2015.

HB 2168 (by Munoz/Lucio)

Relating to the payment date for annuities from the Teacher Retirement System of Texas.

The bill provides that monthly annuity payments from the TRS are generally due to be paid on the last working day of the month for which payment accrues, rather than on the first working day of each month following the month for which the payment accrues.

Effective Date: September 1, 2015.

HB 2974 (by Flynn/Huffman)

Relating to the systems and programs administered by the Teacher Retirement System of Texas.

The bill makes technical and administrative changes related to the definitions of annual compensation and employees, membership requirements, refunds, out-of-state service credit, open meeting, and contributions from employers to TRS-Care, the retiree health benefit plan, due to the employment of retired return-to-work employees. It also establishes a joint interim committee to study and propose reform to TRS-Care and TRS-Active Care.

Effective Date: September 1, 2015.

HB 3307 (by Miller/Hinojosa)

Relating to the authority of the Employees Retirement System of Texas to make available a TRICARE Military Health System supplemental plan.

The bill authorizes ERS to make available a TRICARE Military Health System supplemental plan. The bill seeks to offset out-of-pocket costs associated TRICARE benefits for veterans to incentivize their use of such benefits and help both the state and retired veterans save money on health care costs.

Effective Date: June 17, 2015.

SB 664 (by Taylor/Sheets)

Relating to employment termination for falsification of military record in obtaining employment or employment benefits.

The bill amends existing law relating to employment termination for falsification of military record in obtaining employment or employment benefits. It provides clear authority to an employer to terminate employees who falsify their military service record in obtaining employment or any other benefits relating to employment.

Effective Date: September 1, 2015.

SB 901 (by Eltife/Collier)

Relating to the amount of temporary income benefits to which an injured employee is entitled under the workers' compensation system.

The bill raises the Temporary Income Benefits (TIBs) benchmark earning rate to which an injured employee is entitled from \$8.50 to \$10 an hour.

Effective Date: September 1, 2015.

SB 1750 (by West/Murphy)

Relating to the requirements for employment positions provided through the Texas college work-study program.

The bill requires that at least 20 percent but not more than 50 percent of the employment positions through the Texas college work-study program in an academic year are provided by employers who provide employment located off campus. The bill also requires the Higher Education Coordinating Board to submit a biennial report on the work study program.

Effective Date: June 19, 2015.

SB 1940 (by Huffman/Flynn)

Relating to the creation of a joint interim committee to undertake a study of health benefit plans administered by the Teacher Retirement System of Texas.

The bill creates a joint committee to study and review the health benefit plans, including TRS-Care and TRS-ActiveCare. It identifies the member composition and requires the committee to report its findings to the legislative leadership no later than January 15, 2017.

Effective Date: June 19, 2015.

INSTRUCTIONAL SERVICES

HB 505 (by Rodriguez/Estes)

Relating to a prohibition of limitations on the number of dual credit courses or hours in which a public high school student may enroll.

The bill prohibits any limitation of the number of dual credit courses, dual credit hours, or grade levels in which a high school student could enroll each semester or academic year. The bill repeals existing law prohibiting high school students from enrolling in more than three courses in a junior college if the junior college does not have a service area that includes the student's high school.

Effective Date: May 23, 2015.

HB 1049 (by Rodriguez, Eddie/Rodriguez, Jose)

Relating to the classification of licensed massage therapy programs as postsecondary education programs.

The bill classifies "massage therapy" instruction provided by a licensed massage school as a postsecondary education program.

Effective Date: June 16, 2015.

HB 1054 (by Clardy/Zaffirini)

Relating to developmental education programs under the Texas Success Initiative for public institutions of higher education.

The bill, in part, adds a "Basic Academic Skills" level to the remediation of the Texas Success Initiative (TSI) assessment statute to ensure that entering college students are appropriately placed in classes and given the tools for success. It also authorizes institutions of higher education to refer a student to developmental coursework, as considered necessary to address a student's deficiencies in readiness to perform.

Effective Date: June 16, 2015.

HB 1583 (by Clardy/Zaffirini)

Relating to block scheduling for associate degree and certificate programs at public junior colleges.

The bill requires community colleges to establish a block schedule curriculum for each of their career and technology, allied health, or nursing associate degree or certificate programs. Course would be offered in blocks, such as morning, full-day, afternoon, evening, or weekend blocks. It also requires publishing available blocks at the start of each semester.

Effective Date: September 1, 2015.

HB 1613 (by Guillen/Perry)

Relating to the alignment of college readiness standards and expectations and essential knowledge and skills and the use to satisfy requirements concerning high school end-of-course assessment instruments of performance demonstrating satisfaction of certain college readiness benchmarks on certain assessment instruments designated by the Texas Higher Education Coordinating Board.

The bill requires the State Board of Education to develop and adopt a chart that shows alignment of college readiness standards with the Texas Essential Knowledge and Skills. The bill exempts students from Algebra I, or English I and III end-of-course assessment under certain conditions.

Effective Date: June 19, 2015.

HB 1807 (by Naishtat/Zaffirini)

Relating to requiring the Texas Higher Education Coordinating Board to maintain an inventory of postsecondary educational programs and services for persons with intellectual and developmental disabilities.

The bill requires institutions of higher education to submit all institutional and programmatic postsecondary offerings for persons with intellectual developmental disabilities (IDDs) to the THECB. The purpose is to promote postsecondary opportunities for persons with IDD by maintaining a centralized list of opportunities.

Effective Date: June 17, 2015.

HB 1992 (by Zerwas/Seliger)

Relating to the granting of undergraduate course credit by advanced placement examination at public institutions of higher education.

The bill requires all public institutions of higher education to award college credit for lower-division courses if a student earned a score of 3 or higher on the corresponding Advanced Placement (AP) exam, unless the chief academic officer determined, otherwise, based on evidence that a higher score was needed.

Effective Date: June 3, 2015.

HB 2812 (by Springer/Taylor)

Relating to the limit on junior college courses that a high school student may enroll in for dual credit and the calculation of average daily attendance for a school district or open-enrollment charter school.

The bill removes the limitation relating to the number of junior college courses in which a high school student may enroll for dual credit. It also authorizes the Commissioner of Education to adopt certain rules governing students' participation in off-campus instructional programs.

Effective Date: June 17, 2015.

SB 947 (by Zaffirini/Howard)

Relating to a study and report by the Texas Higher Education Coordinating Board on the feasibility of providing off-campus employment positions through the Texas college work-study program.

The bill requires the THECB to conduct a one-time study to examine the feasibility of providing employment positions located off-campus through the Texas college work-study program. The study will identify best practices for developing partnerships with employers and identify any barriers that junior colleges face in developing such partnerships.

Effective Date: May 22, 2015.

SB 1004 (by Bettencourt)

Relating to courses and programs offered jointly by certain public junior colleges and independent school districts.

The bill permits certain public junior colleges and certain independent school districts (ISDs) to enter into an articulation agreement for dropout recovery programs. Students attending these ISDs would not be limited to the number of dual credit courses they could take and the public junior colleges could offer the same courses. The bill affects 25 school districts located wholly or partially within Harris County.

Effective Date: June 19, 2015.

SB 1189 (by Seliger/Zerwas)

Relating to the establishment of a multidisciplinary studies associate degree program at each public junior college.

The bill requires the governing board of each public junior college district to establish a multidisciplinary studies associate degree program to be offered beginning with the 2016 semester. In such program, a student must successfully complete the junior college's core curriculum.

Effective Date: June 19, 2015.

SB 1351 (by Hinojosa/Zerwas)

Relating to transferring to the Texas Workforce Commission certain duties of the comptroller related to the Jobs and Education for Texans Grant Program.

The bill transfers the administration of the Jobs and Education for Texas (JET) Grant Program to the Texas Workforce Commission (TWC) to bolster the TWC's capacity-building mission and better prepare out-of-work Texans for jobs.

Effective Date: June 16, 2015.

SB 1714 (by Zaffirini/Howard)

Relating to the release of student academic information by a public institution of higher education for certain purposes and the manner in which the information is used.

The bill seeks to minimize the administrative burden of transferring (including “reverse transfer”) credit hours between two-year and four-year institutions of higher education. It allows institutions to participate in the National Student Clearinghouse, a data exchange service, which offers services designed to automate the process.

Effective Date: June 16, 2015.

SB 1776 (by Menendez/Guillen)

Relating to the exemption from the assessment requirements of the Texas Success Initiative for students who successfully complete certain college preparatory courses.

The bill requires an exemption from assessment requirements under the Texas Success Initiative for students who successfully complete certain college preparatory courses recognizing such courses address college readiness up front. It also seeks to eliminate duplicative and potentially costly developmental education course requirements.

Effective Date: June 16, 2015.

FINANCIAL AID & GRANTS

HB 495 (by Howard/Hinojosa)

Relating to the use of money from the permanent fund for health-related programs to provide grants to nursing education programs.

In recognition that the funds are set to expire August 31, 2015, the bill amends existing law to extend the time to use funds from the permanent funds for health-related programs to provide grants to nursing education programs.

Effective Date: May 29, 2015.

HB 700 (by Giddings and Zerwas/Seliger)

Relating to the repeal of the Texas B-On-time student loan program.

The bill repeals the B-On-Time student loan program and abolishes the B-On-Time Student Loan Account. The remaining funds in the account will be appropriated to eligible public institutions pursuant to existing Board rule. The bill changes the percentage set aside from 20 percent to 15 percent.

Effective Date: September 1, 2015.

SB 806 (by Campbell/King)

Relating to the College Credit for Heroes program.

The bill requires the Texas Workforce Commission, not later than November 1 of each year after consultation with the THECB, to report to the legislature and the governor the results of any grants awarded under the College Credit for Heroes program. In part, the objective is to help expedite paths to a college degree, professional certification, or both for veterans. The report will detail best practices for service members to achieve the maximum academic or workforce education credit.

Effective Date: June 19, 2015.

BOARD RELATED

HB 484 (by Capriglione/Hancock *et al.*)

Relating to the eligibility of a person to be a candidate for or holder of certain public elective offices.

The bill amends the Election Code and the Government Code requiring certain persons elected to certain public offices to be registered to vote in the jurisdiction from which their office is elected.

Effective Date: September 1, 2015.

HB 2354 (by Farney/Schwertner)

Relating to changing the date of the May uniform election.

The bill changes the May uniform election dates as follows: (1) general or special election in an odd-numbered year must be held the first Saturday in May (no longer the second Saturday in May) and (2) changes the date on which a general or special election held by a political subdivision (other than a county) in an even-numbered year must be held first Saturday in May (no longer the second Saturday in May).

Effective Date: September 1, 2015.

SB 24 (by Zaffirini/Zerwas)

Relating to training for members of the governing board of a public institution of higher education.

The bill generally requires the Texas Higher Education Coordinating Board (THECB) to develop an intensive short orientation course for members of the governing boards of institutions of higher education who hold appointive positions. Orientation courses may be offered either as an online interactive course, in written document form, or in a one-on-one or group setting. The appointee must attend the course within a prescribed time – the first time offered following the date the appointee takes the oath of office.

Effective Date: January 1, 2016.

SB 27 (by Zaffirini/Howard)

Relating to the online broadcast of open meetings of institutions of higher education.

The bill seeks to promote transparency and public access to open conference call meetings of certain public higher education entities. It requires that telephone conference call meetings be made available via live broadcast over the Internet. The bill also requires that such meetings be made available to the public in an online archive located on the entity's website.

Effective Date: September 1, 2015.

SB 386 (by Taylor/Villalba)

Relating to school marshals for public junior colleges.

The bill seeks to provide an economically feasible alternative to the expense of creating a police department or hiring private security at a public junior college. It authorizes the governing board to appoint one or more school marshals and to select for appointment an applicant who is an employee of the junior college and certified by the Texas Commission on Law Enforcement, as eligible for appointment. Such appointee(s) may possess a handgun on the physical premises of the institution, as prescribed by board regulations.

Effective Date: September 1, 2015.

LEGAL RELATED

HB 685 (by Sheet/Hancock)

Relating to the production of public information under the public information law.

In part, the bill prescribes that an officer for public information for a political subdivision complies with the law by referring a requestor of information to an exact Internet location or uniform resource locator (URL) address on a website maintained by the political subdivision, if the requested information is identifiable and readily available on the website.

Effective Date: September 1, 2015.

HB 699 (by Nevarez/Uresti)

Relating to requiring public institutions of higher education to establish a policy on campus sexual assault.

The bill requires each institution of higher education to adopt a policy on campus sexual assault and make this information available to students, faculty, and staff members. It requires posting the information on the institution's website and requires entering freshman or undergraduate transfers to attend an orientation on the institution's campus assault policy.

Effective Date: June 19, 2015.

HB 1295 (by Capriglione/Hancock)

Relating to the disclosure of research, research sponsors, and interested parties by persons contracting with governmental entities and state agencies.

The bill requires state agencies to disclose information produced through research contracts with institutions of higher education in certain circumstances.

Effective Date: September 1, 2015.

HB 1311 (by McClendon/Menendez)

Relating to the confidentiality of personal information concerning certain employees currently or formerly involved in the Texas juvenile justice system.

The bill prohibits certain personal information of current and former employees of the Texas Juvenile Justice Department or juvenile justice programs, or facilities from being public information.

Effective Date: June 16, 2015.

HB 1832 (by Pickett/Taylor)

Relating to the requirements for and confidentiality of state agency continuity of operations plans.

The bill exempts certain agency plans and materials from disclosure.

Effective Date: June 19, 2015.

HB 2134 (by Burkett/Hall)

Relating to allowing a governmental body to request clarification of a request for public information by electronic mail.

The bill amends the Government Code to allow governmental entities responsible for public information request to seek clarification from the requestor by electronic mail if the request was submitted electronically.

Effective Date: September 1, 2015.

HB 2152 (by Fletcher/Estes)

Relating to the confidentiality of certain information concerning service members of the state military forces.

The bill amends the Government Code to specify that military personnel information such as name, rank, pay rate or grade, or other specified information is confidential and not subject to disclosure.

Effective Date: September 1, 2015.

HB 4046 (by Alvarado/Ellis)

Relating to confidentiality of student records.

The bill closes the gap on what constitutes a student public record and operates to ensure the coverage afforded under federal privacy law with regard to an individual who applies for enrollment at an institution but does not enroll or attend the institution.

Effective Date: September 1, 2015.

SB 273 (by Campbell/Guillen)

Relating to certain offenses relating to carrying concealed handguns on property owned or leased by a governmental entity; providing a civil penalty.

The bill authorizes citizens to file complaints (with evidence) and the attorney general to enforce fines (\$1,000 for first offense and \$10,000 for subsequent offenses) against political subdivisions that unlawfully post signs that prohibit concealed weapons on property where concealed handguns are legally permitted.

Effective Date: September 1, 2015.

SB 450 (by Schwertner/Sheets)

Relating to the liability of a political subdivision of this state for certain claims relating to land acquired by the political subdivision under certain circumstances.

The bill would protect political subdivisions, similar to municipalities, against tort liability claims that result during the acquisition of foreclosed property or property conveyed to the political subdivision to satisfy a property tax debt.

Effective Date: September 1, 2015.

SB 1455 (by Zaffirini/Elkins)

Relating to certain required reports, plans, and other documents prepared by state agencies and institutions of higher education.

The bill seeks to streamline certain state reporting requirements and operates to ensure that limited resources are being committed to current priorities.

Effective Date: September 1, 2015.

CONCEALED CARRY/POLICE RELATED

HB 910 (by Phillips/Estes)

Relating to the authority of a person who is licensed to carry a handgun to openly carry a holstered handgun; creating criminal offenses.

The bill authorizes individuals to obtain a license to carry openly (“in plain view”) a holstered handgun in all places – excluding the premises of higher education institutions – that allow the licensed carrying of a concealed handgun.

Effective Date: January 1, 2016.

SB 11 (by Birdwell/Fletcher)

Relating to the carrying of handguns on the campuses of and certain other locations associated with institutions of higher education; providing a criminal penalty.

The bill authorizes an individual possessing a valid concealed handgun license issued in the state of Texas to carry a concealed handgun on campuses or premises associated with public and private institutions of higher education. The bill allows such institutions to establish rules governing the carrying of concealed handguns on campuses and requires the institutions to provide a report about its adopted rules to the legislature.

Effective Date: August 1, 2016 for all higher education institutions, except community colleges, for which the law is effective August 1, 2017.

PROCUREMENT RELATED

SB 20 (by Nelson/Price)

Relating to state agency contracting.

In part, stemming from an incident involving contracting with the Department of Health and Human Services (DHHS), among other things, the bill requires auditing certain contracts entered into by DHHS and would also require institutions of higher education to participate in the training and certification process offered to state agencies by the Comptroller of Public Accounts.

Effective Date: September 1, 2015.

HB 2049 (by Darby/Eltife)

Relating to indemnification and duties of engineers and architects under certain governmental contracts.

The bill prohibits certain provision in contracts for engineering or architectural services involving a governmental entity and would require a specific standard of care to be included in those contracts. The bill further addresses the implications of negligence and a duty to defend, as each applies to the contracting relationship between a governmental entity and engineering or architectural services.

Effective Date: September 1, 2015.

SB 1281 (by Zaffirini/Coleman)

Relating to the authority of a local government to participate in a cooperative purchasing program with local governments of this state or another state.

The bill authorizes Texas “local governments” – statutorily defined as a political subdivision of the state – to participate in a cooperative purchasing agreement to partner with local governments or cooperative organizations in other states to secure the best price for goods or services.

Effective Date: May 29, 2015.

GENERAL INFORMATION

HB 382 (by Canales/Lucio)

Relating to public junior college district branch campuses, including a requirement that the South Texas Community College District establish a branch campus in a certain location.

The bill allows South Texas Community College District to adopt and implement a plan to expand opportunity for certain instructional programs in Edcouch or Elsa beginning with the 2019-2020 academic year.

Effective Date: September 1, 2015.

HB 658 (by Zerwas/Kolkhorst)

Relating to the creation of a campus of the Texas State Technical College System in Fort Bend County.

The bill amends the Education Code to authorize creation of a campus of the Texas State Technical College (TSTC) System located in Fort Bend County.

Effective Date: May 23, 2015.

HB 1300 (by Capriglione/Seliger)

Relating to eligibility requirements for admission of certain persons to educator preparation programs.

The bill requires individuals admitted under the 10% rule to perform at a satisfactory level on a subject matter exam prior to admission.

Effective Date: September 1, 2015.

HB 2763 (by Thompson/Rodriguez)

Relating to a study of the current and potential economic impacts of recycling.

The bill requires the Texas Commission on Environmental Quality (TCEQ) to conduct a recycling study to assess the current recycling efforts and identify ways in which the private and public sectors can improve and increase such efforts. The study will be included in the 2016 summary report titled "Municipal Solid Waste in Texas: A Year in Review".

Effective Date: June 17, 2015.

HB 3348 (by Clardy/Eltife)

Relating to authorization by the Texas Higher Education Coordinating Board for certain public junior colleges to offer baccalaureate degree programs.

The bill requires the THECB to establish a pilot project to examine the feasibility and effectiveness of authorizing baccalaureate degree programs in the field of dental hygiene at a public junior college that satisfies particular criteria.

Effective Date: June 19, 2015.

SB 37 (by Zaffirini)

Relating to requiring the Texas Higher Education Coordinating Board to collect and study data on the participation of persons with intellectual and developmental disabilities at public institutions of higher education.

The bill requires the THECB to collect and maintain data relating to undergraduate and graduate level participation of persons with IDD and to conduct an ongoing study of the data to analyze factors affecting participation of such persons at institutions of higher education.

Effective Date: September 1, 2015.

SB 495 (by Watson/Miller)

Relating to the service areas of certain junior college districts.

The bill moves the territory within Gillespie County from the service areas of Austin Community College District to the service area of the Central Texas College District. It also moves territory within that part of Nixon-Smilely Consolidated Independent School District service areas to the Victoria College District service area.

Effective Date: June 16, 2015.

FAILED PASSAGE

HB 61 (by McClendon)

Relating to a single common course numbering system for public institutions of higher education in this state.

The bill sought to clarify the course numbering system and facilitate the transfer of common courses among institutions of higher education. The overall objective was to help students select courses with ease and give assurance that the selected course would transfer to another institution. The companion bill was SB 1770 (by Taylor).

Effective Date: Failed passage.

HB 544 (by Dutton)

Relating to payment by a school district of the costs of developmental coursework provided by an institution of higher education under the success initiative.

The bill sought to assign all of the costs of the developmental coursework provided by an institution of higher education, via the commissioner, to a school district. The bill also sought to ensure fairness, consistency, and fundamental due process.

Effective Date: Failed Passage.

HB 1318 (by Button)

Relating to the eligibility of presidential general election debates for distributions from a Major Events trust fund.

The bill sought to add a presidential general election debate to the list of events to receive funding through the Major Events Trust Fund and to add the Commission on Presidential Debates as an approved site selection organization. The bill also sought to specify that each debate in a series of presidential debates before a general election is considered a separate, single event.

Effective Date: Failed passage.

HB 1384 (by Davis, Sarah, Laubenberg, Pena, Raney, Munoz)

Relating to authorization by the Texas Higher Education Coordinating Board for certain public junior colleges to offer baccalaureate degree programs.

The bill sought to authorize certain public junior colleges to offer baccalaureate degree programs, particularly in the fields of nursing and applied science, based upon a showing of demonstrated workforce need.

Effective Date: Failed passage.

HB 1410 (by Miles, Walle, Gutierrez, Leach, Mevarez)

Relating to consideration of a bidder's principal place of business by public junior college districts in awarding certain contracts.

The bill sought to authorize a public junior college district to consider a bidder's principal place of business in awarding certain contracts.

Effective Date: Failed passage.

HB 3572 (by Zerwas) – Hazlewood Exemption

Relating to tuition and fee exemptions at public institutions of higher education for certain military personnel and their dependents.

The bill sought to contain the costs of benefits to certain military personnel and their dependents to ensure the availability on such benefits to Texas residents only.

Effective Date: Failed Passage.

SB 271 (by Ellis)

Relating to authorization by the Texas Higher Education Coordinating Board for certain public junior colleges to offer baccalaureate degree programs.

The bill sought to authorize the THECB to permit certain community colleges to offer baccalaureate degree programs, particularly in the fields of nursing and applied science, based upon a showing of demonstrated workforce need.

Effective Date: Failed passage.

SB 541 (by Taylor)

Relating to the eligibility of presidential general election debates for distributions from a Major Events trust fund.

The bill sought to add a presidential general election debate to the list of events to receive funding through the Major Events Trust Fund and to add the Commission on Presidential Debates as an approved site selection organization. The bill sought to specify that each debate in a series of presidential debates before a general election is considered a separate, single event.

Effective Date: Failed passage.



SB 1199 (by Garcia)

Relating to consideration of a bidder's principal place of business by public junior college districts in awarding certain contracts.

The bill sought to authorize a public junior college district to consider a bidder's principal place of business in awarding certain contracts.

Effective Date: Failed Passage.

SB 1819 (by Campbell, Creighton, Kolkhorst, *et al.*)

Relating to the determination of resident status of students by public institutions of higher education.

The bill sought to amend existing law so that a person unauthorized to be present in the United States cannot be considered a resident of this state for purposes of receiving in-state tuition at a public institution of higher education.

Effective Date: Failed Passage.

This concludes the 84th regular legislative session final report. If questions arise, the Houston Community College Office of Government Relations is available at the number identified on the back cover of this report.

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REPORT ITEM

Meeting Date: August 13, 2015

Committee: *External Affairs*

ITEM NO.	ITEM TITLE	PRESENTER
B	Update on HCC 2016 Application to the Commission on Presidential Debates	Dr. Cesar Maldonado

DISCUSSION

Update the Board of Trustees on activities associated with the college's pursuit to host one of three Presidential/Vice Presidential debates in 2016.

STRATEGIC GOAL ALIGNMENT

Strategic Initiative: Support Innovation

Attachment Title(s):

This item is applicable to the following:

Central Coleman Northeast Northwest Southeast Southwest 8/17/2015 9:37 AM



AGENDA

ACADEMIC AFFAIRS/STUDENT SERVICES COMMITTEE OF THE BOARD OF TRUSTEES

Committee Members

Trustee Eva Loreda, Chair

Dr. Adriana Tamez

Trustee Dave Wilson

Alternate Member

Trustee Zeph Capo

August 13, 2015

3:00 p.m.

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

**NOTICE OF A MEETING OF THE BOARD OF TRUSTEES
HOUSTON COMMUNITY COLLEGE**

ACADEMIC AFFAIRS/STUDENT SERVICES COMMITTEE

August 13, 2015

Notice is hereby given that a Meeting of the Academic Affairs/Student Services Committee of the Board of Trustees of Houston Community College will be held on Thursday, thirteenth (13th) day of August, 2015 at 3:00 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 Committee Chair and items listed for closed session discussion may be discussed in open session and vice versa as permitted by law. Actions taken at this Meeting do not constitute final Board action and are only Committee recommendations to be considered by the Board at the next Regular Board meeting.

I. Call to Order

II. Topics for Discussion and/or Action:

- A. Placement Test.
- B. Approve Tuition and Fees for Continuing Education.
- C. Business Management Specialization - Insurance Specialist Level 1 Certificate.
- D. Update on Student Success.
- E. Update on Athletic Program.
- F. Update on Institutional Transformation Plan.
- G. Update on India Initiative.

III. Adjournment to closed or executive session pursuant to Texas Government Code Sections 551.071; 551.072 and 551.074, the Open Meetings Act, for the following purposes:

A. Legal Matters

- 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.

The Houston Community College Board of Trustees (the "Board") will not consider or act upon any item before this committee. This meeting is not a Regular Meeting of the Board but because a quorum of the Board may attend, the meeting of this committee is also being posted as a Meeting of the Board.

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. 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

Houston Community College
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requests a public hearing.

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

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

Section 551.084 – For the purpose of excluding a witness or witnesses in an investigation from a hearing during examination of another witness in the investigation.

Should any final action, final decision, or final vote be required in the opinion of the Board with regard to any matter considered in such closed or executive meeting or session, then such final action, final decision, or final vote shall be at either:

- A. The open meeting covered by this Notice upon the reconvening of the public meeting, or
- B. At a subsequent public meeting of the Board upon notice thereof, as the Board shall determine.

V. Reconvene in Open Meeting

VI. Adjournment

Houston Community College
Academic Affairs/Student Services Committee – August 13, 2015

Certificate of Posting or Giving of Notice

On this _____ 10th _____ day of _____ August _____, 2015, at or before 3:00 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) Administration Building of the Houston Community College, 3100 Main, First Floor, Houston, Texas 77002; (2) the Harris County's 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 Fort Bend County public meeting notices 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: August 13, 2015

Committee: *Academic Affairs/Student Services*

ITEM NO.	ITEM TITLE	PRESENTER
A	Placement Test	Dr. Cesar Maldonado Dr. Irene Porcarello

RECOMMENDATION

Authorization to purchase units for the Texas Success Initiative (TSI) Assessment and approved Ability to Benefit (ATB) and English as a Second Language (ESL) exams for the 2015 - 2016 academic year in the amount of \$235,000.00.

COMPELLING REASON/RATIONALE

The TSI Assessment and approved ESL exams are utilized to assess skill levels and properly place students into appropriate coursework to facilitate student success.

Department of Education approved ATB exams are required for students seeking Federal Student Aid who do not possess a recognized high school diploma or General Education Development (GED) Certificate.

DESCRIPTION OR BACKGROUND

The TSI Assessment was developed by the College Board and was selected by the Texas Higher Education Coordinating Board (THECB) to be administered by colleges and universities for placement purposes beginning fall 2013. The TSI Assessment assesses skills in reading, writing and mathematics. The Advanced Mathematic exam is used to determine math placement beyond College Algebra. The approved ESL exam is utilized to place students when English is their second language. Approved exams for Ability to Benefit (ATB) are used to determine a student's eligibility for Federal Student Aid if the student does not possess a GED or high school diploma. Students are charged a fee of \$29.00 for the full TSI Assessment test battery and a fee of \$10 for each section (reading, writing and math) to cover the costs associated with the administration of the exams. The cost for the approved ESL exam is \$29.00 and \$10.00 for the Advanced Math Assessment. The test unit cost of the ATB test examination is \$4.50 for the full battery (MATH, Reading, and Writing).

FISCAL IMPACT

The total cost for all assessments for 2015 - 2016 is \$235,000.00. This includes \$215,000 for the TSI Assessment test and \$20,000 for the ESL, Advanced Math and ATB examination test units.

STRATEGIC GOAL ALIGNMENT

Strategic Initiative: Increase Student Completion

This item is applicable to the following:

Central Coleman Northeast Northwest Southeast Southwest 3100

ACTION ITEM

Meeting Date: August 13, 2015

Committee: *Academic Affairs/Student Services*

ITEM NO.	ITEM TITLE	PRESENTER
B	Approve Tuition and Fees for Continuing Education	Dr. Cesar Maldonado Dr. Kimberly Beatty

RECOMMENDATION

Approve changes in tuition and fees in continuing education courses offered by the College. This change will be effective with the first registration period after September 1, 2015.

COMPELLING REASON/RATIONALE

The Texas Higher Education Coordinating Board (THECB) requires an institution's governing board to approve changes to tuition and fees. This action is also necessary in order for the instructional programs to continue offering these courses within budget given the increased costs associated with offering these courses for 2015-2016.

Attached is a list of proposed increases in tuition and fees for 13 continuing education courses currently in inventory. The recommended increases are needed to cover increased costs of textbook, state required materials for certification, increased clinical hours, laboratory consumable materials, and/or part-time subject matter experts in high demand areas (truck driving, welding, piping and design systems, network security, nurse aide, and IV therapy).

DESCRIPTION OR BACKGROUND

The THECB requires that each community college present to the Board changes in tuition and fees for continuing education courses offered by the college.

FISCAL IMPACT

Based on 2014-2015 enrollment for these areas the fiscal impact is projected as follows, with a projected 5% enrollment increase over last year.

1,330 students (estimated increase in enrollment) x tuition increase = \$190,420 for 2015-2016.

LEGAL REQUIREMENT

None

STRATEGIC GOAL ALIGNMENT

Strategic Initiative: Respond to the needs of Business and Industry

Attachment Title(s): **2016-2016 Justification Statement**

This item is applicable to the following:

Central Coleman Northeast Northwest Southeast Southwest 3100

2015-2016 Justification Statement

Course Title	Current Fee	Proposed Fee	Estimated No. Students	Difference	Justification Statement
Professional Truck Driver II	\$2,025	\$2,150	257	\$125/course (Increase by \$.78 per contact hour)	To cover increased costs in instructional materials
Welding using Multiple Process, Introduction	\$980	\$1,500	246	\$520 (Increase by \$ 3.35 per contact hour)	To cover increased costs in instructional materials
Certified Nurse Aid	\$765	\$795	430	\$30 (Increase by \$0.0054 per contact hour)	To cover increased costs for adjunct faculty
Pharmacy IV admixture-CpHT	\$275	\$375	7	\$100 (Increase by \$1.67 per contact hour)	To cover increased costs in instructional materials
PDMS Basic and Functions	\$384	\$455	9	\$71 (Increase by \$4.44 per contact hour)	To cover increased costs in instructional materials and licensing
PDMS Equipment	\$576	\$650	9	\$74 (Increase by \$3.08 per contact hour)	To cover increased costs in instructional materials and licensing
PDMS Piping	\$576	\$650	9	\$74 Increase by \$3.08 per contact hour	To cover increased costs in instructional materials and licensing
PDMS Drawing Production, Basic	\$576	\$650	8	\$74 (Increase by \$3.08 per contact hour)	To cover increased costs in instructional materials and licensing
PDMS Drawing Production, Advance	\$384	\$455	8	\$71 (Increase by \$4.44 per contact hour)	To cover increased costs in instructional materials and licensing
PDMS Structural Basic	\$576	\$650	8	\$74 (Increase by \$3.08 per contact hour)	To cover increased costs in instructional materials and licensing
PDMS STRUCTURAL ADVANCED	\$384	\$455	8	\$71 (Increase by \$4.44 per contact hour)	To cover increased costs in instructional materials and licensing
A+ Certification	\$517	\$600	206	\$83 (Increase by \$1.15 per contact hour)	To cover increased costs in instructional materials and equipment
Network + Certification	\$534	\$600	63	\$66 (Increase by \$1.04 per contact hour)	To cover increased costs in instructional materials and equipment

REPORT ITEM

Meeting Date: August 13, 2015

Committee: *Academic Affairs/Student Services*

ITEM NO.	ITEM TITLE	PRESENTER
C	Business Management Specialization - Insurance Specialist Level 1 Certificate	Dr. Cesar Maldonado Dr. Kimberly Beatty

DISCUSSION

Update on Insurance specialization within the Business Management degree.

DESCRIPTION OR BACKGROUND

The purpose of the program is to expand program offerings that meet the demand of our students and the community. The initial date of implementation for this certificate is spring 2016.

In the spring of 2015, HCC NE College was approached by local insurance business owners and officers of the Northside Chamber of Commerce "Workforce Development Committee" to work on a program that would develop a workforce for employment opportunities in the insurance industry. The initial plan was to develop a Pre-Licensing curriculum to prepare individuals interested in taking the insurance license exam. After further discussion, the Exploratory Advisory Committee identified other positions within the industry that a student could pursue as an employment opportunity. The Insurance Specialist/Associate Level 1 certificate will prepare a student looking for an entry level career in the insurance industry. With the knowledge gained the student could seek licensing and/or apply for positions in sales and related occupations, office and administrative support, and business and financial operations within the insurance industry.

A Level 1 Certificate comprised of basic courses in insurance and preparatory courses designed to aid students to pass insurance licensure exams will be offered within the Business Center of Excellence at the Northline Campus. Currently there are no community colleges in the greater Houston area offering a state approved Level 1 Certificate for an Insurance Specialist/Associate. An employment analysis from the Texas Workforce Commission shows that the demand for workforce in the occupations for the insurance industry will grow significantly.

FISCAL IMPACT

This new degree plan will have minimal impact as HCC already has access to faculty to support offering the specialization. The marketing materials will need to be created.

LEGAL REQUIREMENT

N/A

STRATEGIC GOAL ALIGNMENT

Strategic Initiative: Increase student success and completion

Attachment Title(s): **Outline Insurance Specialist/Associate Certificate-Level 1**

This item is applicable to the following:

Central Coleman Northeast Northwest Southeast Southwest 3100

Insurance Specialist/Associate Certificate - Level 1

This Level 1 Certificate will prepare students for the required insurance license examination needed for employment with an independent Insurance Agent or a large insurance company. Upon successful completion, students take the state licensure examination.

LEAD	1370	Workforce Leadership and Critical Thinking Skills for Student Success	3	48 Contact Hrs.
INSR	1205	Personal Insurance	2	32 Contact Hrs.
INSR	1209	Principles of Insurance (Exam Prep) Corequisite INSR 1205	2	32 Contact Hrs.
INSR	1370	Commercial Insurance (Archived-will create local needs course)	3*	48 Contact Hrs.
INSR	1371	Multiline Insurance Sales & Marketing (Local Need Course)	3	48 Contact Hrs.
INSR	1217	Insurance Customer Service Representative	2	32 Contact Hrs.

Total Hours=15 SCH

Course Descriptions

Workforce Leadership and Critical Thinking for Student Success

A study of the development of leadership skills and critical thinking strategies that promote employment readiness, retention, advancement, and promotion for student success.

INSR 1205 Personal Insurance

Introduction to personal loss exposures and personal insurance policies for handling these exposures including auto, homeowners, life, health, marine, and various government insurance programs. At the end of the course the student would be able to describe the types of property loss exposures, the financial consequences of a property loss, and the insurance available for each; describe liability loss exposures and the insurance available for these losses; describe human loss exposures and the life, health, and disability insurance available; and identify covered losses and calculate the amount of insurance payable in various situations. This course helps prepare for the Insurance (INS) 22 exam.

INSR 1209 Principles of Insurance (Exam Prep)*corequisite INSR 1205

Organization of insurance companies, state regulations, types of policies, and career opportunities in the field. Topics include concepts of risk, insurance protection, and prohibited practices. Discuss the differences between the types of insurance companies; describe the state regulatory environment for the insurance industry; explain the concept of risk and risk management; differentiate between the types of insurance coverage; and describe the professional career opportunities in the insurance industry. This course helps prepare for the Insurance (INS) 21 exam.

INSR 1370 Commercial Insurance

Introduction to personal loss exposures and personal insurance policies for handling these exposures including auto, homeowners, life, health, marine, and various government insurance programs. Describe the types of property loss exposures, the financial consequences of a property loss, and the insurance available for each;

describe liability loss exposures and the insurance available for these losses; describe human loss exposures and the life, health, and disability insurance available; and identify covered losses and calculate the amount of insurance payable in various situations. This course helps prepare for the Insurance (INS) 22 exam.

INSR 1371 Multiline Insurance Sales & Marketing

For agents who market property and/or casualty insurance. Includes prospecting and presentation, types of coverage, identifying client needs, terminology, and analyzing homeowners coverage. A study of marketing, sales techniques, promotions, and advertising theories as applied to the insurance industry. Also covers sales transitions, analyzing automobile and specialized coverage, tax implications, loss ratios and agent responsibilities. Basic telemarketing including selling strategies, prompters, and communication skills. Development of a positive attitude to create a personal selling style.

INSR 1217 Insurance Customer Service Representative

Prepares participants to work in insurance agencies as entry-level customer service representatives. Includes information about policies, terminology, and customer service procedures. May prepare students to take the licensing exam sponsored by the Texas Department of Insurance. Define insurance terms and concepts; identify and explain violations of insurance regulations; and explain applicable policy provisions.

REVISED REPORT ITEM

Meeting Date: August 13, 2015

Committee: *Academic Affairs/Student Services*

ITEM NO.	ITEM TITLE	PRESENTER
D	Update on Student Success	Dr. Cesar Maldonado Dr. Kimberly Beatty

DISCUSSION

Update on student success regarding our success and completion strategic partnerships with external partners.

DESCRIPTION OR BACKGROUND:

As a leading higher education institution in Houston, HCC must continue to develop strategic partnerships that impact student success and completion at HCC and beyond. In the last six months, HCC has partnered with the University of Houston on two initiatives that will potentially increase student success and completion, Guided Pathways in Higher Education and Advancing Hispanics in Higher Education.

HCC is also partnering with THECB in the Accelerated Pathways through Developmental Education.

FISCAL IMPACT:

No fiscal impact to HCC.

STRATEGIC GOAL ALIGNMENT

Strategic Initiative: Increase Student Completion

This item is applicable to the following:

Central Coleman Northeast Northwest Southeast Southwest 3100

REPORT ITEM

Meeting Date: August 13, 2015

Committee: *Academic Affairs/Student Services*

ITEM NO.	ITEM TITLE	PRESENTER
E	Update on Athletics Program	Dr. Cesar Maldonado Dr. Irene Porcarello

DISCUSSION

An update will be provided on recreational sports and wellness programming.

DESCRIPTION OR BACKGROUND

The Board approved the collection of a \$6 athletics fee in 2008. The fee is collected from credit students each semester enrolled. The fee is used to provide students with an opportunity to participate in a variety of club and intramural sports as well as wellness activities and leadership.

Recreational Sports staff at each college had a total of 11 meetings from May 29th to July 10th to review and plan for the 2015-2016 academic year. The following activities are in-progress:

1. Update the Recreational Sports handbook – policy and procedure manual
2. Update student forms
3. Collect and review facility usage to develop growth plan
4. Update strategic goals

FISCAL IMPACT

N/A

STRATEGIC GOAL ALIGNMENT

Strategic Initiative: Support Faculty/Staff Professional Development and Student Leadership Development

This item is applicable to the following:

Central Coleman Northeast Northwest Southeast Southwest 3100

REPORT ITEM

Meeting Date: August 13, 2015

Committee: *Academic Affairs/Student Services*

ITEM NO.	ITEM TITLE	PRESENTER
F	Update on Institutional Transformation Plan	Dr. Cesar Maldonado Dr. Edmund Herod

DISCUSSION

Provide an overview on the institutional transformation plan.

STRATEGIC GOAL ALIGNMENT

Strategic Initiative: Increase Student Completion

Attachment Title(s): **Transformation Update**

This item is applicable to the following:

Central Coleman Northeast Northwest Southeast Southwest 3100



Transformation Update

Instruction	Student Services	Finance & Administration
<ul style="list-style-type: none"> • All New Leaders Completed Instructional Leadership Academy • Majority of Staffing now Completed 	<ul style="list-style-type: none"> • Presidents Pursuing Major Projects for Student Services Improvements • Faster Processing of Financial Aid Awards 	<ul style="list-style-type: none"> • Received and reviewed updated funding requests for each Center of Excellence • Facilitated instructional personnel moves
Sustainability	Legal & Compliance	Communications
<ul style="list-style-type: none"> • Developed New HCC Phone App • Secured over \$1million in NSF Grants 	<ul style="list-style-type: none"> • Formation of Presidential Debate Operational Structure • Elections Procedures • Regulatory Matters including Diploma Mill 	<ul style="list-style-type: none"> • HCC-TV changing to focus on producing HCC-content, PSAs, and social media messaging • Launched fall registration campaign

REPORT ITEM

Meeting Date: August 13, 2015

Committee: *Academic Affairs/Student Services*

ITEM NO.	ITEM TITLE	PRESENTER
G	Update on India Initiative	Dr. Cesar Maldonado

DISCUSSION

Provide an update on the development of the proposed India Initiative.

DESCRIPTION OR BACKGROUND:

HCC is currently developing a plan in conjunction with Lone Star and Alamo Community Colleges to provide skills training for India through the National Skills Development Corporation (NSDC).

FISCAL IMPACT:

N/A

STRATEGIC GOAL ALIGNMENT

Strategic Initiative: Leverage Partnerships

This item is applicable to the following:

Central Coleman Northeast Northwest Southeast Southwest 3100



AGENDA

THE BOARD OF TRUSTEES MEETING AS A COMMITTEE OF THE WHOLE

August 13, 2015
4:00 p.m.

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

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

August 13, 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 thirteenth (13th) day of August, 2015 at 4:00 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. Correction Deed and Deed Without Warranty on Waugh Drive Property.
2. Update on Bond Capital Improvement Plan (CIP) Related Matters.

B. Finance

3. Cooperative & Interlocal Contract Approvals for Fiscal Year 2016.
4. Cooperative Contract Awards for Fiscal Year 2016.
5. Texas Association of Community Colleges (TACC) Membership for 2015/2016.
6. Property and Casualty Insurance (Project No. 15-22).
7. Investment Report for the Month of May, 2015.
8. Investment Report for the Month of June, 2015
9. Monthly Financial Statement and Budget Review for May 2015.
10. Monthly Financial Statement and Budget Review for June 2015.
11. Update on Strategic Planning.

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Committee of the Whole – August 13, 2015

12. Capital & Technology Plan for Fiscal Year 2015-2016.

VIII. Reports from Appointed and Ad Hoc Committee(s):

A. Academic Affairs/Student Services

1. Placement Test.
2. Approve Tuition and Fees for Continuing Education.
3. Business Management Specialization - Insurance Specialist Level 1 Certificate.
4. Update on Student Success.
5. Update on Athletic Program.
6. Update on Institutional Transformation Plan.
7. Update on India Initiative.

B. Audit

8. Internal Audit Quarterly Report.

C. External Relations

9. Legislative Report.
10. Update on HCC 2016 Application to the Commission of Presidential Debates

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. Security Report.

Houston Community College
Committee of the Whole – August 13, 2015

2. Deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee, or to hear complaints or changes 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. Report on Navigation Condemnation.
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 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

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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 _____ 10th _____ day of _____ August _____, 2015, at or before 4:00 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: August 13, 2015

Committee: *Facilities and Finance*

ITEM NO.	ITEM TITLE	PRESENTER
1	Correction Deed and Deed Without Warranty on Waugh Drive Property	Dr. Cesar Maldonado Ashley Smith

RECOMMENDATION

Execution of Correction Deed (Special Warranty) and Deed Without Warranty on a parcel of land containing approximately 2.830 acres located on 22 Waugh Drive and formerly used as the HCCS administration building ("Property").

COMPELLING REASON/RATIONALE

The current owner, Ground One Investments, is in the process of selling the Property and has requested that HCCS agree to execute a correction deed replacing the original reversionary restriction with the alternative language that is permitted under Order 5281. The attached correction deed contains the alternative language.

In addition to the correction deed, the title company handling the current transaction, Old Republic Title Company, has requested HCCS to execute a deed without warranty, which operates to convey any interest HCCS may have attained should an automatic reversion have occurred due to any act or omission prohibited under the original deed restriction. It is our understanding that the Property has been used for commercial purposes since it was sold by HCCS in March, 2000 and we do not believe that during that time any school or other institution of learning has been operated on the site.

DESCRIPTION OR BACKGROUND

In March 2000, HCCS conveyed the Property to Realty Advisory Group, Inc. in accordance with the requirements of applicable law. The original deed by which the Property was conveyed contained a restriction in accordance with Order of Civil Action No. 5281, *United States v. State of Texas* ("Order 5281"), which required that any time a school district intended to sell, lease, or otherwise convey any interest in real property, the instrument documenting such transaction ("the deed") must contain certain covenants by the grantee of such real property. The deed also included a reversionary clause for violations of those covenants (primarily the operation of a dual, or segregated school system). Order 5281 was modified (in 1990) to provide alternative language to include in deeds, with the effect of removing the automatic reversion language and providing an enforcement mechanism by any party that is affected by the discriminatory conduct prohibited in the deed.

FISCAL IMPACT

None

LEGAL REQUIREMENT

This is not a sale of property owned by HCCS but a revision to an instrument by which HCCS previously executed to sell Property it owned. Section 11.154 of the Texas Education Code requires the Board President to sign a deed conveying real property.

STRATEGIC GOAL ALIGNMENT

Strategic Initiative: Support Innovation

Attachment Title(s): 1. Correction Deed (Special Warranty)
2. Deed Without Warranty
3. Exhibit A to Correction Deed and Deed Without Warranty

This item is applicable to the following:

Central Coleman Northeast Northwest Southeast Southwest 3100

NOTICE OF CONFIDENTIALITY RIGHTS. IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

CORRECTION DEED (SPECIAL WARRANTY)

This CORRECTION DEED ("Correction Deed") is hereby executed by and between Houston Community College System ("Grantor") and Realty Advisory Group, Inc. ("Grantee"). This Correction Deed corrects and replaces the deed dated March 24, 2000 filed with the County Clerk of Harris County, Texas, under County Clerk's File Number U295457, and recorded in the Official Public Records of Real Property of Harris County, Texas under File Code 531-36-2527 (the "Original Deed"), by which instrument Grantor did convey to Realty Advisory Group, Inc. an approximately 2.830 acre tract of land, being all of Block 1, Restricted Reserve A, Houston Community College Central Administration Campus according to the Map at Harris County Clerk's Film Code #370125 and all of Lot 15 and the residue of Lots 14 and 16 Vick's Park Addition, Houston, Harris County, Texas, according to the Map at Volume 1, Page 11, Harris County Map Records, more particularly described on Exhibit A to said Original Deed, which is attached to this deed as **Exhibit A** (the "Property").

Ground One Investments, LLC, a Texas limited liability company, ("Ground One") is the current owner and successor-in-interest to Realty Advisory Group, Inc., through a series of mesne conveyances, of a portion of the Property. Ground One owns an approximately 1.0897 acre tract out of Block 1 Restrictive Reserve A, Houston Community College Central Administration Campus, which tract is more particularly described on **Exhibit B**, attached hereto and incorporated herein for all purposes (the "Ground One Property"). Ground One joins in the execution of this Correction Deed for purposes of acknowledging and ratifying the corrections made herein and compliance with the requirements of Section 5.029 of the Texas Property Code.

Pursuant to the terms of the original Order of Civil Action No. 5281, *United States v. State of Texas* ("Order 5281"), any time a school district intends to sell, lease, or otherwise convey any interest in real property, the instrument documenting such transaction much contain certain covenants by the grantee of such real property and a reversionary clause for violations of those covenants. However, in 1990, Order 5281 was modified to provide school districts and grantees receiving school district property alternate language to include in deeds, said alteration removing the automatic reversion. The purpose of this Correction Deed is to amend the original restriction under Order 5281 that was incorporated into the Original Deed and provide for the alternate language under Order 5281, which shall remove the automatic reversion and permit the relief set forth herein.

Date Executed: _____, 2015, but effective March 24, 2000.

Grantor: **Houston Community College System**
Grantor's Mailing Address
(including County): 3100 Main
Houston, Harris County, Texas 77002

Grantee: **Realty Advisory Group, Inc.**, a Texas corporation

Grantee's Mailing Address
(including County): 1001 West Loop South, Suite 690
Houston, Harris County, Texas 77027

Consideration: Ten and No/100 Dollars and other good and valuable consideration, the receipt and sufficiency of which is acknowledged.

Property: That certain tract or parcel of land situated in Harris County, Texas, more particularly described on Exhibit A, attached hereto and made a part hereof, commonly known as 22 Waugh Drive in Houston, Harris County, Texas.

Reservations and Exceptions to

Conveyance and Warranty: The Grantor and its successors and assigns reserve forever all of the oil, gas and other minerals in and under that may be produced from the Property, but Grantor and its successors and assigns expressly waives the right of ingress and egress to and from the surface of the Property as it relates to that portion of the mineral estate reserved to the Grantor, provided however, this waiver will not prohibit the pooling or unitization of this Property with other property or the production of oil, gas and other minerals by means of wells that are drilled or mines that open upon land other than the Property, but enter or bottom under the Property provided such operations do not interfere with the surface use of the Property.

There is excepted from this conveyance and the warranty in this deed all matters filed of record in the Official Records of Harris County, Texas, including but not limited all easements, conditions, covenants, regulations, restrictions, reservations and rights of record, together with all matters reflected on the Survey dated December 7, 1999, Job No. 38-24-A prepared by N. Mathis, R.P.L.S. #4517, as well as any encroachments, shortages in area and boundary line errors.

The Grantor conveys the Property subject to the following express restrictions and covenants, which shall be followed and complied with in all respects:

- (a) The above-described realty, or any part thereof, shall not be used in the operation of, or in conjunction with, any school or other institution of learning, study or instruction which discriminates against any person because of his race, color or national origin, regardless of whether such discrimination be affected by design or otherwise.
- (b) The above-described realty, or any part thereof, shall not be used in the operation of, or in conjunction with, any school or other institution of learning, study or instruction which creates, maintains, reinforces, renews, or encourages, or which tends to create, maintain, reinforce, renew or encourage, a dual school system. A "dual school system" is a system that by law, policy, or custom segregates student attendance or staff assignments to schools by race or ethnic origin.

These restrictions and conditions shall be binding upon Grantee or its successors and assigns, for a period of fifty (50) years from the date hereof.

The foregoing restrictions and the other covenants hereafter set out are covenants running with the land, and each and every parcel thereof, and shall be fully binding upon any person, firm, partnership, corporation, trust, church, club, governmental body, or other organization or entity whatever (whether private or governmental in nature), without limitation, hereafter acquiring any estate, title, interest or property in said land, whether by descent, devise, purchase or otherwise; and no act or omission upon the part of Grantor herein, its successors and assigns, shall be a waiver of the operation or enforcement of such restrictions; but neither restriction shall be construed to be a condition subsequent or special limitation on the estate thereby conveyed.

It is further covenanted, that third party beneficiaries of the restrictions set forth above shall be as follows:

- (1) As to the restrictions set out in (a) above, any person prejudiced by its violation;
- (2) As to the restrictions set out in (b) above, any public school district or any person prejudiced by its violation; and
- (3) As to either or both of the restrictions set out in (a) and (b) above, the United States of America, as plaintiff and the American G.I. Forum, the League of Latin American Citizens (LULAC) and the National Association for the Advancement of Colored People (NAACP), as intervenors, in U.S. v. Texas, Civil Action No. 5281, Tyler Division, U.S. District Court, Eastern District of Texas; reported in U.S. v. Texas, 321 F. Supp. 1043 (E.D. Tex. 1970); U.S. v. Texas, 330 F. Supp. 235 (E.D. Tex. 1971); aff'd with modifications sub nom. U.S. v. State of Texas and J.W. Edgar, et al, 447 F.2d 441 (5th Cir. 1971); stay den., sub nom. Edgar v. U.S., 404 U.S. 1206 (1971); cert den., 404 U.S. 1016 (1972).

It is further covenanted, that in case of a violation of either or both of the above restrictions, any of the third party beneficiaries above alluded to its authorized and empowered to prosecute proceedings at law or in equity against any person, firm, partnership, corporation, trust, church, club, governmental body or other organization or entity whatever (whether private or governmental in nature), without limitation:

- (A) To enforce either or both of such restrictions relating to the use of the Property;
- (B) To abate or prevent violations of either or both of such restrictions; and
- (C) To recover damages for breach of either or both of such restrictions.

It is further covenanted, that if any third party beneficiary referred to above shall prosecute proceedings at law or in equity for the aforesaid purposes, such third party beneficiary may recover reasonable attorney's fees from the violator or violators of either or both of such restrictions, if the Court finds that the proceedings were necessary to bring about compliance therewith.

Grantor, for the consideration and subject to the reservations from and exceptions to conveyance and warranty, grants, sells and conveys to Grantee, the Property, together with all singular the rights and appurtenances thereto in anywise belonging, to have and hold it to Grantee, Grantee's heirs, executors, administrators, successors, or assigns forever. Grantor hereby binds Grantor and Grantor's heirs, executors, administrators, and successors to warranty and forever defend all and singular the Property to Grantee and Grantee's successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, except as to the reservations from and exceptions to warranty by, through or under Grantor but not otherwise.

THE GRANTOR MAKES NO REPRESENTATIONS OR WARRANTY (EXCEPT AS TO THE WARRANTY OF TITLE CONTAINED IN THIS DEED) CONCERNING THE VALUE OF THE PROPERTY, THE CONDITION OF THE IMPROVEMENTS LOCATED UPON THE PROPERTY, THE ENVIRONMENTAL CONDITION OF THE PROPERTY, THE PRESENCE OR ABSENCE OF ANY HYDROCARBONS, ASBESTOS, ENVIRONMENTAL, HAZARDOUS, OR TOXIC CONTAMINATION OF THE PROPERTY, THE SUITABILITY OF THE PROPERTY FOR A PARTICULAR PURPOSE, THE GEOLOGICAL CONDITION OF THE PROEPRTY, THE MERCHANTABILITY OF THE PROPERTY, OR ITS FITNESS FOR A PARTICULAR PURPOSE. THE PROPERTY IS SOLD AS IS WHERE IS. ANY REPRESENTATIONS OR WARRANTIES WHICH MAY HAVE BEEN MADE OR GIVEN OR IMPLIED PRIOR TO THE DELIVERY OF THIS DEED, IF ANY, WILL NOT SURVIVE THE DELIVERY OF THIS DEED AND WILL BE MERGED INTO THIS DEED WHEN DELIVERED AND ACCEPTED BY THE GRANTEE. THE GRANTEE DURING THE BIDDING PROCESS TO ACQUIRE THIS PROPERTY AND WAS GIVEN AN ADEQUATE OPPORTUNITY TO INSPECT THE PROPERTY AND IS RELYING SOLELY UPON ITS OWN INSPECTION OF THE PROPERTY. THE GRANTEE BY ACCEPTING THIS DEED HAS RELEASED THE GRANTOR AND THE GRANTOR'S DIRECTORS, TRUSTEES, EMPLOYEES, CONSULTANTS, ATTORNEYS AND

BROKERS FROM LIABILITY OR RESPONSIBILITY FOR THE REMEDIATION OF ANY HAZARDOUS MATERIALS WHICH MAY BE ON THE PROPERTY, AS WELL AS LIABILITY OR RESPONSIBILITY RELATED TO ANY MISREPRESENTATION, INACCURACY OR LACK OF COMPLETENESS OF THE INFORMATION, SURVEYS OR ENVIRONMENTAL DATA WHICH MAY HAVE BEEN PROVIDED TO THE GRANTEE.

When the context requires, singular nouns and pronouns include the plural.

GRANTOR:

Houston Community College System

By: _____
Zeph Capo, Chair of the Board of Trustees

THE STATE OF TEXAS §
COUNTY OF HARRIS §

This instrument was acknowledged before me on this the _____ day of _____, 2015, by Zeph Capo, Chair of the Board of Trustees of the Houston Community College System.

Notary Public, State of Texas

ACCEPTED BY GRANTEE

Realty Advisory Group, Inc.

By: _____

Name: _____

Title: _____

THE STATE OF TEXAS §
COUNTY OF HARRIS §

This instrument was acknowledged before me on this the _____ day of _____, 2015,
by _____, _____ of Realty Advisory
Group, Inc., a Texas corporation, for and on behalf of said corporation.

Notary Public, State of Texas

RATIFIED AND ACCEPTED BY THE UNDERSIGNED, as to the Ground One Property only.

Ground One Investments, LLC

By: _____

Name: _____

Title: _____

THE STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was acknowledged before me on this the _____ day of _____, 2015, by _____, _____ of Ground One Investments, LLC, a Texas limited liability company, for and on behalf of said limited liability company.

Notary Public, State of Texas

After Recording, Please Return to:

Paige Dunlap
GF No. 15002574
Old Republic Title
777 Post Oak Blvd., Suite 125
Houston, Texas 77056

CORRECTION DEED (SPECIAL WARRANTY)

Page of

Exhibit A
[Property Legal]

Exhibit B
[Ground One Property Legal]

NOTICE OF CONFIDENTIALITY RIGHTS. IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

DEED WITHOUT WARRANTY

Date Executed: _____, 2015.

Grantor: **Houston Community College System**
Grantor's Mailing Address
(including County): 3100 Main
Houston, Harris County, Texas 77002

Grantee: **Ground One Investments, LLC**, a Texas limited liability company

Grantee's Mailing Address
(including County): 1322 N. Post Oak Rd.
Houston, Harris County, Texas 77055

Consideration: Ten and No/100 Dollars and other good and valuable consideration, the receipt and sufficiency of which is acknowledged.

Property: That certain tract or parcel of land situated in Harris County, Texas, more particularly described on Exhibit A, attached hereto and made a part hereof, commonly known as 22 Waugh Drive in Houston, Harris County, Texas.

Reservations and Exceptions to
Conveyance and Warranty: The Grantor and its successors and assigns reserve forever all of the oil, gas and other minerals in and under that may be produced from the Property, but Grantor and its successors and assigns expressly waives the right of ingress and egress to and from the surface of the Property as it relates to that portion of the mineral estate reserved to the Grantor, provided however, this waiver will not prohibit the pooling or unitization of this Property with other property or the production of oil, gas and other minerals by means of wells that are drilled or mines that open upon land other than the Property, but enter or bottom under the Property provided such operations do not interfere with the surface use of the Property.

There is excepted from this conveyance and the warranty in this deed all matters filed of record in the Official Records of Harris County, Texas, including but not limited all easements, conditions, covenants, regulations, restrictions, reservations and rights of record, together with all matters reflected on the Survey dated December 7, 1999, Job No. 38-24-A prepared by N. Mathis, R.P.L.S.#4517, as well as any encroachments, shortages in area and boundary line errors.

The Grantor conveys its interest in the Property, if any, subject to the following express restrictions and covenants, which shall be followed and complied with in all respects:

- (a) The above-described realty, or any part thereof, shall not be used in the operation of, or in conjunction with, any school or other institution of learning, study or instruction which discriminates against any person because of his race, color or national origin, regardless of whether such discrimination be affected by design or otherwise.
- (b) The above-described realty, or any part thereof, shall not be used in the operation of, or in conjunction with, any school or other institution of learning, study or instruction which creates, maintains, reinforces, renews, or encourages, or which tends to create, maintain, reinforce, renew or encourage, a dual school system. A "dual school system" is a system that by law, policy, or custom segregates student attendance or staff assignments to schools by race or ethnic origin.

These restrictions and conditions shall be binding upon Grantee or its successors and assigns, for a period of fifty (50) years from the date hereof.

The foregoing restrictions and the other covenants hereafter set out are covenants running with the land, and each and every parcel thereof, and shall be fully binding upon any person, firm, partnership, corporation, trust, church, club, governmental body, or other organization or entity whatever (whether private or governmental in nature), without limitation, hereafter acquiring any estate, title, interest or property in said land, whether by descent, devise, purchase or otherwise; and no act or omission upon the part of Grantor herein, its successors and assigns, shall be a waiver of the operation or enforcement of such restrictions; but neither restriction shall be construed to be a condition subsequent or special limitation on the estate thereby conveyed.

It is further covenanted, that third party beneficiaries of the restrictions set forth above shall be as follows:

- (1) As to the restrictions set out in (a) above, any person prejudiced by its violation;

- (2) As to the restrictions set out in (b) above, any public school district or any person prejudiced by its violation; and
- (3) As to either or both of the restrictions set out in (a) and (b) above, the United States of America, as plaintiff and the American G.I. Forum, the League of Latin American Citizens (LULAC) and the National Association for the Advancement of Colored People (NAACP), as intervenors, in U.S. v. Texas, Civil Action No. 5281, Tyler Division, U.S. District Court, Eastern District of Texas; reported in U.S. v. Texas, 321 F. Supp. 1043 (E.D. Tex. 1970); U.S. v. Texas, 330 F. Supp. 235 (E.D. Tex. 1971); aff'd with modifications sub nom. U.S. v. State of Texas and J.W. Edgar, et al, 447 F.2d 441 (5th Cir. 1971); stay den., sub nom. Edgar v. U.S., 404 U.S. 1206 (1971); cert den., 404 U.S. 1016 (1972).

It is further covenanted, that in case of a violation of either or both of the above restrictions, any of the third party beneficiaries above alluded to its authorized and empowered to prosecute proceedings at law or in equity against any person, firm, partnership, corporation, trust, church, club, governmental body or other organization or entity whatever (whether private or governmental in nature), without limitation:

- (A) To enforce either or both of such restrictions relating to the use of the Property;
- (B) To abate or prevent violations of either or both of such restrictions; and
- (C) To recover damages for breach of either or both of such restrictions.

It is further covenanted, that if any third party beneficiary referred to above shall prosecute proceedings at law or in equity for the aforesaid purposes, such third party beneficiary may recover reasonable attorney's fees from the violator or violators of either or both of such restrictions, if the Court finds that the proceedings were necessary to bring about compliance therewith.

Grantor, for the consideration and subject to the reservations from and exceptions to conveyance and warranty, grants, sells and conveys to Grantee, any interest of Grantor in the Property and any of Grantor's interest, if any, to the rights and appurtenances thereto in anywise belonging, without any warranty or warranties of title or otherwise, and all warranties, whether express, implied, statutory, or might arise by common law and any of the warranties set forth in or contemplated by Section 5.023 of the Texas Property Code (or its successor) are hereby expressly excluded.

THE GRANTOR MAKES NO REPRESENTATIONS OR WARRANTY CONCERNING TITLE, THE VALUE OF THE PROPERTY, THE CONDITION OF THE IMPROVEMENTS LOCATED UPON THE PROPERTY, THE ENVIRONMENTAL CONDITION OF THE PROPERTY, THE PRESENCE OR ABSENCE OF ANY HYDROCARBONS, ASBESTOS, ENVIRONMENTAL, HAZARDOUS, OR TOXIC CONTAMINATION OF THE PROPERTY, THE SUITABILITY OF THE PROPERTY FOR A PARTICULAR PURPOSE, THE GEOLOGICAL CONDITION OF THE PROEPRTY, THE MERCHANTABILITY OF

THE PROPERTY, OR ITS FITNESS FOR A PARTICULAR PURPOSE. THE PROPERTY IS SOLD AS IS WHERE IS WITHOUT ANY WARRANTY OF TITLE OR OTHERWISE. ANY REPRESENTATIONS OR WARRANTIES WHICH MAY HAVE BEEN MADE OR GIVEN OR IMPLIED PRIOR TO THE DELIVERY OF THIS DEED, IF ANY, WILL NOT SURVIVE THE DELIVERY OF THIS DEED AND WILL BE MERGED INTO THIS DEED WHEN DELIVERED AND ACCEPTED BY THE GRANTEE. THE GRANTEE BY ACCEPTING THIS DEED HAS RELEASED THE GRANTOR AND THE GRANTOR'S DIRECTORS, TRUSTEES, EMPLOYEES, CONSULTANTS, ATTORNEYS AND BROKERS FROM LIABILITY OR RESPONSIBILITY FOR ANY MATTER WITH RESPECT TO THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE REMEDIATION OF ANY HAZARDOUS MATERIALS WHICH MAY BE ON THE PROPERTY, AS WELL AS LIABILITY OR RESPONSIBILITY RELATED TO ANY MISREPRESENTATION, INACCURACY OR LACK OF COMPLETENESS OF THE INFORMATION, SURVEYS OR ENVIRONMENTAL DATA WHICH MAY HAVE BEEN PROVIDED TO THE GRANTEE.

When the context requires, singular nouns and pronouns include the plural.

GRANTOR:

Houston Community College System

By: _____
Zeph Capo, Chair of the Board of Trustees

THE STATE OF TEXAS §
COUNTY OF HARRIS §

This instrument was acknowledged before me on this the _____ day of _____, 2015, by Zeph Capo, Chair of the Board of Trustees of the Houston Community College System.

Notary Public, State of Texas

ACCEPTED BY GRANTEE

Ground One Investments, LLC

By: _____
Name: _____
Title: _____

THE STATE OF TEXAS §
COUNTY OF HARRIS §

This instrument was acknowledged before me on this the _____ day of _____, 2015,
by _____, _____ of Ground One
Investments, LLC, a Texas limited liability company, for and on behalf of said limited liability
company.

Notary Public, State of Texas

After Recording, Please Return to:
Paige Dunlap
GF No. 15002574
Old Republic Title
777 Post Oak Blvd., Suite 125
Houston, Texas 77056

DEED WITHOUT WARRANTY

Page of

Exhibit A

METES AND BOUNDS DESCRIPTION
2.8730 ACRES OF LAND, ALL OF
BLOCK 1, RESTRICTED RESERVE A,
HOUSTON COMMUNITY COLLEGE
CENTRAL ADMINISTRATION CAMPUS AND
ALL OF LOT 15, THE RESIDUE OF LOTS 14 & 18,
VICK'S PARK ADDITION
HOUSTON, HARRIS COUNTY, TEXAS

531-36-2531

All that certain 2.8730 acres of land, all of Block 1, Restricted Reserve A, Houston Community College Central Administration Campus according to the plat thereof filed at Film Code No. 370125 Harris County Map Records and all of Lot 15, the residue of Lots 14 & 18, out of Vick's Park Addition according to the plat thereof filed at Volume 1, Page 11 Harris County Map Records and being more particularly described by metes and bounds as follows:

- BEGINNING at a found 5/8" iron rod with cap marking the southerly northwest corner of said Campus Plat, from which the City of Houston Survey Marker No. 5357/0516 having Texas State Plane Coordinates of X=3,142,898.81, Y=721,551.34 bears N 67° 38' 52" E - 665.03' from said point;
- THENCE N 42° 40' 01" E - 21.21', with a 15' cut-back, to a found 5/8" iron rod with cap for corner;
- THENCE N 87° 40' 01" E - 154.60', with the south right-of-way line Barnes Street (42.5' wide), to a found 5/8" iron rod with cap and being the Point of Curvature of a curve to the right having a central angle of 64° 53' 21", a radius of 25.00';
- THENCE in a southeasterly direction for an arc distance of 28.31' to a found 5/8" iron rod with cap being the Point of Reverse Curvature of a curve to the left having a central angle of 01° 38' 37", a radius of 368.00';
- THENCE with the west right-of-way line of Waugh Drive (width varies) for an arc distance of 10.34' to a found 5/8" iron rod with cap for corner;
- THENCE S 29° 03' 16" E - 131.95', continuing with the said west right-of-way line of Waugh Drive to a found 5/8" iron rod being a point on a curve having a central angle of 27° 08' 18", a radius of 293.39', the center of said curve being located on a radial line bearing S 60° 18' 35" W from said point;
- THENCE continuing in a southerly direction with the said west right-of-way line of Waugh Drive, for an arc distance of 138.79' to a found railroad spike for corner, said point also being in the north line of that certain 11,393 square feet described in a deed dated 08-25-1998 from John R. Smallwood, et ux to Houston Community College System, filed in the Official Public Records of Real Property of Harris County, Texas at Clerk File No. T-234085, Film Code No. 520-15-3750;
- THENCE N 87° 24' 44" E - 3.30', with the north line of said 11,393 square foot tract, to a found 5/8" iron rod with cap for corner;
- THENCE S 02° 39' 11" E - 245.28', with the west right-of-way line of said Waugh Drive, (60' wide at this point), to a found "X" in concrete for corner marking the southeast corner of said Campus Plat, said point also marking the northeast corner of that certain tract of land described in a deed from United Capital Corp. to First Church of the Nazarene of Harris County, Texas filed in Volume 7044, Page 224, Deed Records, Harris County, Texas at Clerk File No. C-638460;
- THENCE S 87° 50' 14" W - 134.96' with the north line of said First Church of the Nazarene of Harris County tract, to a found 5/8" iron rod for corner;
- THENCE N 02° 39' 11" W - 92.19' to a found 5/8" iron rod marking the northeasterly southwest corner of said Campus Plat;
- THENCE S 88° 01' 54" W - 143.10' with the north right-of-way line of Blossom Street (39' wide as recognized), to a found 5/8" iron rod with cap for corner;
- THENCE N 47° 09' 03" W - 21.28' to a found 5/8" iron rod with cap for corner;
- THENCE N 02° 18' 59" W - 396.75', with the east right-of-way line of Hartman Street (44' wide), to the POINT OF BEGINNING and containing 2.8730 acres (125,149 square feet), more or less.

Compiled from a survey by:

PREJEAN & COMPANY, INC.
surveying/mapping
38-24-a.mb
December 7, 1999



N. M. Mathis

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS VOID AND UNENFORCEABLE UNDER FEDERAL LAW.
THE STATE OF TEXAS }
COUNTY OF HARRIS }
I hereby certify that this instrument was FILED in File Number _____ Sequence on the date and at the time placed herein by me; and was duly RECORDED, in the Official Public Records of Real Property of Harris County, Texas on

FILED
2000 MAR 27 AM 10:35
County Clerk
HARRIS COUNTY, TEXAS
Beverly R. Kephart

MAR 27 2000

RECORDER'S MEMORANDUM

AT THE TIME OF RECORDATION, THIS INSTRUMENT WAS FOUND TO BE INADEQUATE FOR THE BEST PHOTOGRAPHIC REPRODUCTION BECAUSE OF ILLEGIBILITY, CARBON OR PHOTO COPY, DISCOLORED PAPER, ETC.



Beverly R. Kephart
COUNTY CLERK
HARRIS COUNTY TEXAS

REPORT ITEM

Meeting Date: August 13, 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: August 13, 2015

Committee: *Facilities and Finance*

ITEM NO.	ITEM TITLE	PRESENTER
3	Cooperative & Interlocal Contract Approvals for Fiscal Year 2016	Dr. Cesar Maldonado Teri Zamora Rogelio Anasagasti

RECOMMENDATION

Pending budget approval, authorize the Chancellor to negotiate and execute budgeted contract awards under cooperative and interlocal agreements for up to a three (3) year term. Any individual award under a cooperative or interlocal contract shall not exceed \$500,000 without prior Board approval.

All awards made administratively greater than \$75,000 shall be reported to the Board of Trustees on a quarterly basis.

COMPELLING REASON/RATIONALE

The use of cooperative and interlocal contracts is a national best practice and an important procurement tool that allows HCC to leverage its buying power across the aggregated volume of participating agencies while ensuring a best value award. Additionally, this method of procurement enables HCC to be most competitive in our acquisition strategy, reduce cost and create value through collaborative and shared efforts and adoption of best practices.

DESCRIPTION OR BACKGROUND

The use of cooperative and interlocal contracts allows HCC to access competitive contracts for various goods and services. Additionally, for good or services that may have multiple providers, HCC goes further to request proposals under the terms and conditions of the cooperative contract and further negotiates pricing thus ensuring HCC obtains the best value award.

HCC may access cooperatives and competitively awarded contracts from interlocal groups and government agencies provided they meet the specification requirements of HCC and were procured in a manner that satisfies HCC procurement policy.

In accordance with Section 44.031 of the Texas Education Code, the items described in the attached are for goods and services purchased by HCC under an awarded cooperative or interlocal contract as defined by Texas Local Government Code Section 791 (the "Interlocal Cooperation Act"), which allows two or more local governments including a federally recognized Indian tribe in Texas (listed under 25 USC §479a-1) to contract for the purchase of goods or services.

FISCAL IMPACT

All purchases completed under a cooperative or interlocal contract will be funded through the current budget and/or grant funded when applicable. Any individual award under a cooperative or interlocal contract shall not exceed \$500,000 without prior Board approval.

LEGAL REQUIREMENTS

This recommendation to the Board of Trustees is in accordance with Chapter 44.031(a) of the Texas Education Code and Chapter 791 of the Government Code.

STRATEGIC GOAL ALIGNMENT

Strategic Initiative: Support Innovation

Attachment Title(s): 1. Cooperative & Interlocal Group List
2. Sample Procurement Categories by Cooperative Group

This item is applicable to the following:

Central Coleman Northeast Northwest Southeast Southwest 3100

COOPERATIVE & INTERLOCAL GROUP LIST

The following is a sample list of cooperative and interlocal groups which may be utilized by HCC to leverage buying power across the aggregated purchasing volumes of participating agencies while ensuring best value. Additional cooperatives and/or competitive contract awards allowing access to their contracts, not listed below, may be accessed provided a best value award.

1. Association of Educational Purchasing Agencies (AEPA)
2. Education & Institutional Cooperative (E&I)
3. GSA Schedule 70 (Information Technology)
4. GSA Schedule 1122 (homeland security/emergency response)
5. Harris County Department of Educations (HCDE – Choice Partners)
6. Houston-Galveston Area Council (HGAC Buy)
7. Metro Transit Authority & City of Houston Interlocal
8. Minnesota Multistate Contracting Alliance for Pharmacy (MMCAP)
9. National Association of State Procurement Officials (NASPO – formally WSCA)
10. National IPA
11. National Joint Powers Alliance (NJPA)
12. Provista
13. Purchasing Solution Alliance (PSA)
14. Texas A&M University Interlocal Agreement
15. Texas Association of School Boards – BuyBoard (TASB)
16. Texas Community College Cooperative Purchasing Network – TCCPN (TACC)
17. Texas Department of Information Resources (DIR)
18. Texas Multiple Awards Schedule (TXMAS)
19. Texas TxSmartBuy (SmartBuy)
20. TexBuy Purchasing Cooperative
21. The Cooperative Purchasing Network (TCPN)
22. The Interlocal Purchasing System (TIPS)
23. The University of Texas System – Supply Chain Alliance
24. US Communities

Sample Procurement Categories by Cooperative Group

Cooperative & Interlocal Groups	IT Hardware Software	Goods	Services
Association of Educational Purchasing Agencies (AEPA)	X	X	X
Education & Institutional Cooperative (E&I)	X	X	X
GSA Schedule 70 (Information Technology)	X		
GSA Schedule 1122 (homeland security/emergency response)		X	X
Harris County Department of Educations (HCDE – Choice Partners)	X	X	X
Houston-Galveston Area Council (HGAC Buy)	X	X	X
Metro Transit Authority & City of Houston Interlocal		X	
Minnesota Multistate Contracting Alliance for Pharmacy (MMCAP)		X	X
National Association of State Procurement Officials (NASPO – formally WSCA)	X	X	X
National IPA	X	X	X
National Joint Powers Alliance (NJPA)	X	X	X
Provista	X	X	X
Purchasing Solution Alliance (PSA)	X	X	X
Texas A&M University Interlocal Agreement	X	X	X
Texas Association of School Boards – BuyBoard (TASB)	X	X	X
Texas Community College Cooperative Purchasing Network – TCCPN (TACC)	X	X	X
Texas Department of Information Resources (DIR)	X		X
Texas Multiple Awards Schedule (TXMAS)	X	X	X
Texas TxSmartBuy (SmartBuy)	X	X	X
TexBuy Purchasing Cooperative	X	X	X
The Cooperative Purchasing Network (TCPN)	X	X	X
The Interlocal Purchasing System (TIPS)	X	X	X
The University of Texas System – Supply Chain Alliance		X	X
US Communities	X	X	X

ACTION ITEM

Meeting Date: August 13, 2015

Committee: *Facilities and Finance*

ITEM NO.	ITEM TITLE	PRESENTER
4	Cooperative Contract Awards for Fiscal Year 2016	Dr. Cesar Maldonado Teri Zamora Rogelio Anasagasti

RECOMMENDATION

Pending budget approval, authorize the Chancellor to negotiate and execute budgeted contract awards for the attached items available under cooperative agreements for up to a three (3) year term.

COMPELLING REASON/RATIONALE

The use of cooperative and interlocal contracts is a national best practice and an important procurement tool that allows HCC to leverage its buying power across the aggregated volume of participating agencies while ensuring a best value award. Additionally, this method of procurement enables HCC to be most competitive in our acquisition strategy, reduce cost and create value through collaborative and shared efforts and adoption of best practices.

DESCRIPTION OR BACKGROUND

The use of cooperative and interlocal contracts allows HCC to access competitive contracts for various goods and services. Additionally, for good or services that may have multiple providers, HCC goes further to request proposals under the terms and conditions of the cooperative contract and further negotiates pricing thus ensuring HCC obtains the best value award.

In accordance with Section 44.031 of the Texas Education Code, the items described in the attached are for goods and services purchased by HCC under an awarded cooperative or interlocal contract as defined by Texas Local Government Code Section 791 (the "Interlocal Cooperation Act"), which allows two or more local governments including a federally recognized Indian tribe in Texas (listed under 25 USC §479a-1) to contract for the purchase of goods or services.

FISCAL IMPACT

The estimated expenditure is noted for each item in the attached.

LEGAL REQUIREMENTS

This recommendation to the Board of Trustees is in accordance with Chapter 44.031(a) of the Texas Education Code and Chapter 791 of the Government Code.

STRATEGIC GOAL ALIGNMENT

Strategic Initiative: Support Innovation

Attachment Title(s): **Cooperative Contract Award List (FY 2016)**

This item is applicable to the following:

Central Coleman Northeast Northwest Southeast Southwest 3100

COOPERATIVE CONTRACT AWARD LIST (FY 2016)

The following is list of Cooperative Contract Awards that exceed \$500,000 that will be completed under existing cooperative contracts for Fiscal Year 2016.

1. AT&T services include redundant 1 GBS to 10GBS connectivity and bandwidth between all facilities and colleges and the Internet.

Annual budget:

- FY2016 Projected annual cost is \$1,250,000.
(FY2015 expenditure \$1,350,000)

2. Network, hardware, software, server and computer equipment for Technology Replacement Plan and related purchases.

Annual budget:

- FY2016 Projected expenditure with Dell Marketing LP will not exceed \$2,500,000.
(FY2015 expenditure \$3,500,000)
- FY2016 Projected expenditure with Apple Computer will not exceed \$1,000,000.
(FY2015 expenditure \$1,500,000)
- FY2016 Projected expenditure under cooperative and interlocal agreements for network, hardware, software, and server equipment replacement will not exceed \$3,100,000.
(FY2015 expenditure \$1,500,000)

3. Consulting contracted services for IT supported system wide projects; contracts shall be competitively sourced under cooperative contracts.

Annual budget:

- FY2016 Projected expenditure will not exceed \$3,300,000.
(FY2015 expenditure is \$3,100,000)

Balance of page intentionally left blank.

ACTION ITEM

Meeting Date: August 13, 2015

Committee: *Facilities and Finance*

ITEM NO.	ITEM TITLE	PRESENTER
5	Texas Association of Community Colleges (TACC) Membership for 2015/2016	Dr. Cesar Maldonado

RECOMMENDATION

Approve payment of the 2015/2016 membership dues and associated fees for the Texas Association of Community Colleges (TACC) in the amount of \$82,907.

COMPELLING REASON/RATIONALE

The Texas Association of Community Colleges (TACC) is a non-profit association that includes all 50 public community college districts in the state. The General Appropriations Bill and legislation affecting public community college in general have been and remain the principal concerns of TACC.

DESCRIPTION OR BACKGROUND

The community colleges of Texas understand that the most critical part of their mission focuses on the success of the students who seek educational opportunities.

FISCAL IMPACT

The 2015/2016 membership period is September 1, 2015 - August 31, 2016 in the amount of \$82,907.

LEGAL REQUIREMENT

N/A

STRATEGIC GOAL ALIGNMENT

Strategic Initiative: Support Innovation

Attachment Title(s): **Invoice for 2015 TACC Membership Dues and Associated Fees**

This item is applicable to the following:

Central Coleman Northeast Northwest Southeast Southwest 3100

8/11/2015 6:02 PM



Texas Association of Community Colleges

1304 San Antonio, Suite 201
 Austin, TX 78701
 Phone 512-476-2572 Fax 512-476-0262

INVOICE

For 2015-2016 Dues

DATE: JULY 15, 2015

TO:

Dr. Cesar Maldonado, Chancellor
 Houston Community College
 P. O. Box 667517
 Houston, TX 77266-7517

COMMENTS OR SPECIAL INSTRUCTIONS:

The Association adopted by action of the membership at the Association meeting, July 10, 2015, the following membership and building fees for the period of September 1, 2015 – August 31, 2016.

					TERMS
					Due on receipt

DESCRIPTION				TOTAL
			Association Membership Dues	\$ 50816
			Building Assessment Fee	9773
			Mathways Assessment	14659
TOTAL DUE				\$ 75248

NOTE: We **strongly recommend** that you pay your annual Association dues and Assessments from local non-state funds. **CHECKS ARE PAYABLE TO TEXAS ASSOCIATION OF COMMUNITY COLLEGES.**

Texas Community College Education Initiative

1304 San Antonio, Suite 201
 Austin, TX 78701
 Phone 512-476-2572 Fax 512-476-0262

INVOICE

For 2015-2016 Dues
 DATE: JULY 15, 2015

TO:

Dr. Cesar Maldonado, Chancellor
 Houston Community College
 P. O. Box 667517
 Houston, TX 77266-7517

COMMENTS OR SPECIAL INSTRUCTIONS:

The Association adopted by action of the membership at the Association meeting, July 10, 2015, the following telecommunication fees for the period of September 1, 2015 – August 31, 2016.

					TERMS
					Due on receipt

	DESCRIPTION	TOTAL
	Telecommunication Membership Fee	\$ 3909
	TOTAL DUE	\$ 3909

NOTE: We strongly recommend that you pay your annual Association dues and Assessments from local non-state funds. CHECKS ARE PAYABLE TO TEXAS COMMUNITY COLLEGE EDUCATION INITIATIVE.

June 10, 2015

TEXAS ASSOCIATION OF
COMMUNITY COLLEGES

1304 San Antonio, Suite 201
Austin, Texas 78701
512/476-2572
Fax 512/476-0262

OFFICERS

Chair

Richard G. Carpenter, Ed.D.
Lone Star College System

Chair - Elect

Johnette McKown, Ed.D.
McLennan Community College

Secretary -Treasurer

Gregory Williams, Ed.D.
Odessa College

Past Chair

William M. "Bill" Holda, Ed.D.
Kilgore College

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Temple College
Central Texas Region

Bradley W. Johnson, Ed.D.
Northeast Texas Community College
East Texas Region

Paul Matney, Ed.D.
Amarillo College
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Brenda Hellyer, Ed.D.
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Johnette McKown, Ed.D.
Chair

President and CEO

Reynaldo R. Garcia, Ph.D

INVOICE

For Subscription Agreement -- Policy Reference Manual

Dr. Cesar Maldonado,
Houston Community College
P. O. Box 667517
Houston, TX 77266-7517

Dear Dr. Maldonado:

The Association adopted by action of the membership at the Association meeting, July 15, 2011, the subscription agreement renewal for the Community College Policy Reference Manual. This invoice is for the renewal period of September 1, 2015-August 31, 2016.

Please forward payment to Texas Association of Community Colleges, 1304 San Antonio, Suite 201, Austin, Texas 78701.

TOTAL DUE:

\$ 3,750

ACTION ITEM

Meeting Date: August 13, 2015

Committee: *Facilities and Finance*

ITEM NO.	ITEM TITLE	PRESENTER
6	Property and Casualty Insurance (Project No. 15-22)	Dr. Cesar Maldonado Teri Zamora Rogelio Anasagasti

RECOMMENDATION

Authorize the Chancellor to negotiate policy terms and conditions, and purchase insurance policies for all lines of property and casualty insurance coverage as detailed in the attached Line of Coverage by Carrier exhibit, in accordance with RFP 15-22.

The initial policy term will be for eighteen (18) months (coverage shall be effective September 1, 2015 through February 28, 2017).

COMPELLING REASON/RATIONALE

Houston Community College issued a request for proposals for the purchase of property and casualty insurance policies. The goal of the procurement was to select the insurance companies and representatives that offer the best value to HCC for the required lines of coverage including: commercial property, flood, boiler and machinery, general liability, educator legal liability, excess liability, police professional liability, health professional liability, commercial crime, worker's compensation, automobile liability, accident, athletic injury, storage tank, international, employed lawyer liability and trip/travel accident board member.

In addition, the proposed initial policy term of 18 months was designed to allow HCC to align all policy renewals to have a future renewal date outside of the Atlantic Hurricane Season, which will be most advantageous with property insurance.

The insurance brokers working on behalf of the recommended carriers shall also support the administration and specifically the Risk Management Department with all HCC insurance related matters, in accordance with RFP 15-22.

This recommendation to the Board of Trustees is in accordance with RFP 15-22 and Chapter 44.031(a) of the Texas Education Code.

DESCRIPTION OR BACKGROUND

The Request for Proposal (RFP 15-22) was issued on June 25, 2015. The solicitation document was distributed electronically in addition to being published in local newspapers. Notice of advertisement was provided to two hundred twenty-one (221) firms. In accordance with RFP 15-22, a pre-proposal conference was held on July 9, 2015 with sixteen (16) vendor representatives from ten (10) different insurance companies participating. Eight proposals were received by the solicitation due date of July 29, 2015 at 12:00 p.m., two proposals were evaluated as a single proposal given the firms presented a partnered solution; all proposals received were evaluated in accordance with RFP 15-22.

FISCAL IMPACT

The total proposed indicative pricing for all lines of coverage is \$6,840,164. This amount is subject to change pending final negotiations of policy terms and conditions which may include variations in proposed policy deductibles, limits and policy periods.

The Chancellor shall have the authority to purchase all resulting insurance policies within 2% of the total proposed indicative pricing.

The proposed 18 month policies represent a cost reduction of approximately \$2.5 million as compared to premiums paid last year.

The funding source is HCC Operations Budget.

LEGAL REQUIRMENTS

This recommendation to the Board of Trustees is being made to the highest ranked firms offering the best value in accordance with Chapter 44.031(a) of the Texas Education Code.

Chapter 44.031(a) of the Texas Education Code requires that selection of a firm shall be made through the procurement method that provides the best value for the district. Following the competitive procurement process, HCC has selected the firms 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. Line of Coverage by Carrier**
2. Summary of Procurement
3. Summary Composite Score Sheet

This item is applicable to the following:

Central Coleman Northeast Northwest Southeast Southwest 3100

Houston Community College
RFP 15-22 Property Casualty Insurance
Line of Coverage by Carrier

Line of Coverage	Insurance Carrier(s)	Broker	Indicative Pricing
1 Commercial Property	Lexington Insurance Company as the lead primary carrier, with excess carriers. <i>NOTE: a complete list of the proposed excess carriers for the commercial property line of coverage is noted on page 3.</i>	McGriff Seibels & Williams partnering with Miles Insurance Agency	\$ 4,105,240.00
2 Commercial Property Option - Terrorism	Validus Reinsurance Ltd	McGriff Seibels & Williams partnering with Miles Insurance Agency	\$ 57,649.00
3 Commercial Property Option - Flood (subject to Flood Zone determinations and decision whether to insure only Special Hazard locations)	National Flood Insurance Program	Perez Insurance Agency	\$ 275,000.00
4 Boiler & Machinery	Travelers Property Casualty Company of America	McGriff Seibels & Williams partnering with Miles Insurance Agency	\$ 44,602.00
5 General Liability (GL)	United Educators Insurance	McGriff Seibels & Williams partnering with Miles Insurance Agency	\$ 346,448.00
6 Educators Legal Liability	United Educators Insurance	McGriff Seibels & Williams partnering with Miles Insurance Agency	\$ 665,009.00
7 Excess Liability (EL)	United Educators Insurance	McGriff Seibels & Williams partnering with Miles Insurance Agency	\$ 141,865.00
8 Excess Liability (3100 & 3200 Main)	United Educators Insurance	McGriff Seibels & Williams partnering with Miles Insurance Agency	Included in EL
9 Police Professional Liability	United Educators Insurance	McGriff Seibels & Williams partnering with Miles Insurance Agency	Included in GL
10 Health Professional Liability	United Educators Insurance	McGriff Seibels & Williams partnering with Miles Insurance Agency	Included in GL
			\$ 5,635,813.00

indicative pricing, pending final negotiation

Houston Community College
RFP 15-22 Property Casualty Insurance
Line of Coverage by Carrier

	Line of Coverage	Insurance Carrier(s)	Broker	Indicative Pricing	
11	Commercial Crime	Travelers Casualty & Surety Company of America	HARCO Insurance Services	\$	13,146.00
12	Workers' Compensation and Employer's Liability	Texas Mutual Insurance Company	HARCO Insurance Services	\$	625,114.00
13	Business Automobile	Peerless Indemnity Insurance Company and Progressive County Mutual	HARCO Insurance Services	\$	378,197.00
14	Accident Policy – Board Members	Reliance Standard Life Insurance Company	HARCO Insurance Services	\$	2,715.00
15	Accident Policy – Health/Science Programs	National Union Fire Insurance Company of Pittsburg PA	HARCO Insurance Services	\$	20,565.00
16	Accident Policy – Truck Drivers Programs	National Union Fire Insurance Company of Pittsburg PA	HARCO Insurance Services	\$	3,672.00
17	Accident Policy – Upward Bound Programs	National Union Fire Insurance Company of Pittsburg PA	HARCO Insurance Services	\$	2,930.00
18	Athletic Injury	Mutual of Omaha Insurance	HARCO Insurance Services	\$	108,997.00
19	Catastrophic Athletic Injury	Mutual of Omaha Insurance	HARCO Insurance Services	\$	2,155.00
20	Storage Tank Liability	Illinois Union Insurance Company	HARCO Insurance Services	\$	1,449.00
21	International Insurance - Liability, International Accidental Death & Dismemberment, Executive Protection	ACE American Insurance Company	HARCO Insurance Services	\$	17,082.00
22	Professional Employed Lawyer Liability	Philadelphia Indemnity Insurance Company	HARCO Insurance Services	\$	28,029.00
23	Trip & Travel Accident Only Insurance – Board Member	National Guardian Life Insurance Company	HARCO Insurance Services	\$	300.00
				\$	1,204,351.00

indicative pricing, pending final negotiation

\$ 6,840,164.00
TOTAL indicative pricing, pending final negotiation

**Houston Community College
RFP 15-22 Property Casualty Insurance
Line of Coverage by Carrier**

Line of Coverage	Insurance Carrier(s)	Broker	Indicative Pricing
1 Commercial Property	Lexington Insurance Company as the lead primary carrier, with excess carriers participating as follows: <i>NOTE: the following is a complete list of the proposed excess carriers for the commercial property line of coverage as noted on page 1.</i>	McGriff Seibels & Williams partnering with Miles Insurance Agency	See Commercial Property Line of Coverage on Page 1
1.1	AmRisc - Certain Underwriters at Lloyd's of London		
1.2	AmRisc - Indian Harbor Insurance Company		
1.3	AmRisc - QBE Specialty Insurance Company		
1.4	AmRisc - Steadfast Insurance Company		
1.5	AmRisc - General Security Indemnity Company of America		
1.6	AmRisc - Princeton Excess & Surplus Lines Insurance Company		
1.7	AmRisc - International Insurance Company of Hannover		
1.8	National Fire & Marine Insurance Company		
1.9	Starr Surplus Insurance Company		
1.10	Chubb Custom Insurance Company		
1.11	Berkshire Hathaway Specialty Insurance Company		
1.12	Axis Surplus Insurance Company		
1.13	Ironshore Specialty Insurance Company		
1.14	Westchester Surplus Lines Insurance Company		
1.15	Westport Insurance Corporation		
1.16	RSUI Indemnity Company		
1.17	Arch Specialty Insurance Company		
1.18	Everest Indemnity Insurance Company		
1.19	Essex Insurance Company		
1.20	Scottsdale Insurance Company		
1.21	Endurance Specialty Insurance Ltd		

**SUMMARY OF PROCUREMENT
BOARD ACTION ITEM**

PROJECT TITLE: Property & Casualty Insurance

PROJECT NO.: 15-22

PROCUREMENT METHOD: Request for Proposals (Overall Best Value)

PROJECT MANAGER: Gwen Drumgoole, Manager of Risk Management

NAME OF BUYER: Jennifer Chiu, Senior Buyer

PURPOSE: Houston Community College issued a request for proposals for the purchase of property and casualty insurance policies. The goal of the procurement was to select the insurance companies and representatives that offer the best value to HCC for the required lines of coverage including: commercial property, flood, boiler and machinery, general liability, educator legal liability, excess liability, police professional liability, health professional liability, commercial crime, worker's compensation, automobile liability, accident, athletic injury, storage tank, international, employed lawyer liability and trip/travel accident board member.

In addition, the proposed initial policy term of 18 months was designed to allow HCC to align all policy renewals to have a future renewal date outside of the Atlantic Hurricane Season, which will be most advantageous with property insurance.

RECOMMENDED VENDOR: See the attached Line of Coverage by Carrier exhibit.

LEGAL REQUIREMENTS: This recommendation to the Board of Trustees is being made to the highest ranked firms offering the best value in accordance with Chapter 44.031(a) of the Texas Education Code.

Chapter 44.031(a) of the Texas Education Code requires that selection of a firm shall be made through the procurement method that provides the best value for the district. Following the competitive procurement process, HCC has selected the firms offering the best value based on the published selection criteria as evidenced in the final evaluation ranking.

LOCATION INFORMATION: In servicing the recommended insurance policies under RFP 15-22, the proposed insurance carriers will be working with the noted insurance

brokers that will be servicing the recommended lines of coverage from their local Houston office.

PROJECTED VALUE: The total proposed indicative pricing for all lines of coverage is \$6,840,164. This amount is subject to change pending final negotiations of policy terms and conditions which may include variations in proposed policy deductibles, limits and policy periods.

The Chancellor shall have the authority to purchase all resulting insurance policies within 2% of the total proposed indicative pricing.

The proposed 18 month policies represent a cost reduction of approximated \$2.5 million as compared to the premiums paid last year.

The funding source is HCC Operations Budget.

CONTRACT TERM: The initial policy term will be for eighteen (18) months (coverage shall be effective September 1, 2015 through February 28, 2017).

ADVERTISEMENT: This procurement was advertised in the following newspapers:

- The Houston Chronicle: June 28 & July 5, 2015
- African American: Week of June 29 & July 6, 2015
- La Informacion: Week of June 29 & July 6, 2015
- Voice of Asia: Week of June 29 & July 6, 2015

PROCUREMENT NOTICE:

A notice of the procurement was distributed to following on June 25, 2015

- Notice to HCC Board of Trustees
- Houston Minority Business Council
- Texas State Procurement Website
- HCC Procurement Operations Website

SOLICITATION INFORMATION:

The Request for Proposal (RFP 15-22) was issued on June 25, 2015. The solicitation document was distributed electronically in addition to being published in local newspapers. Notice of advertisement was provided to two hundred twenty-one (221) firms. In accordance with RFP 15-22, a pre-proposal conference was held on July 9, 2015 with sixteen (16) vendor representatives from ten (10) different insurance companies participating. Eight proposals were received by the solicitation due date of July 29, 2015 at 12:00 p.m., two proposals were evaluated as a single proposal given the firms presented a partnered solution; all proposals received were evaluated in accordance with RFP 15-22.

COMPETITIVE: Yes

**PROPOSAL
EVALUATION:**

Responses were evaluated by the Evaluation Committee which consisted of an independent insurance consultant with relevant subject matter understanding in the areas of property, casualty and related coverage solicited by HCC; who evaluated proposals in accordance with the published evaluation criteria noted below.

Evaluation Criteria	Available Points
Insurance carrier's profile, overview and qualifications & experience	5
Demonstrated qualifications of insurance carrier's personnel and team	5
Insurance carrier's proposed approach and methodology	5
Insurance carrier's past performance & references	5
Price/cost schedules, premium rates	75
<u>Insurance carrier's small business practices</u>	<u>5</u>
	Total 100

**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 Best Effort – Small Business participation goal.

The recommended insurance policies include the use of the following two certified SBE firms: Miles Insurance Agency and Perez Insurance Agency.

Balance of page intentionally left blank.

RFP 15-22 Property & Casualty Insurance

Summary Composite Score Sheet

Firm	Evaluation Criteria						Total
	Insurance carrier's profile, overview and qualifications & experience	Demonstrated qualifications of insurance carrier's personnel and team	Insurance carrier's proposed approach and methodology	Insurance carrier's past performance & references	Price/cost schedules, premium rates	Insurance carrier's small business practices	
Available Points	5	5	5	5	75	5	100
McGriff, Seibels & Williams of Texas partnering with Miles Insurance Agency							
McGriff/Miles Commercial Property	5.00	5.00	5.00	5.00	75.00	5.00	100.00
McGriff/Miles General Liability	5.00	5.00	5.00	4.00	70.00	5.00	94.00
McGriff /Miles Boiler & Machinery	5.00	5.00	5.00	5.00	75.00	5.00	100.00
McGriff/Miles Flood	5.00	4.00	3.00	3.00	75.00	5.00	95.00
Perez Insurance Agency							
Perez Flood	5.00	4.00	3.00	3.00	75.00	5.00	95.00
HARCO Insurance Services							
HARCO Automobile	4.00	4.00	3.00	4.00	70.00	0.00	85.00
HARCO Workers Compensation	5.00	5.00	5.00	5.00	70.00	0.00	90.00
HARCO Accident/Athletic Injury	5.00	5.00	5.00	5.00	70.00	0.00	90.00
HARCO Commercial Crime	5.00	5.00	5.00	5.00	75.00	0.00	95.00
HARCO Professional Employed Lawyer	5.00	5.00	5.00	5.00	70.00	0.00	90.00
HARCO Excess Liability 3100/3200	2.00	3.00	1.00	3.00	40.00	0.00	49.00
HARCO International	5.00	5.00	5.00	5.00	75.00	0.00	95.00
HARCO Storage Tank	5.00	5.00	4.00	4.00	65.00	0.00	83.00

Firm	Evaluation Criteria						Total
	Insurance carrier's profile, overview and qualifications & experience	Demonstrated qualifications of insurance carrier's personnel and team	Insurance carrier's proposed approach and methodology	Insurance carrier's past performance & references	Price/cost schedules, premium rates	Insurance carrier's small business practices	
<i>Available Points</i>	<i>5</i>	<i>5</i>	<i>5</i>	<i>5</i>	<i>75</i>	<i>5</i>	<i>100</i>
J.P. West							
JP West General Liability	5.00	5.00	5.00	4.00	70.00	0.00	89.00
JP West Commercial Property	3.00	3.00	3.00	3.00	50.00	0.00	62.00
JP West Boiler & Machinery	0.00	0.00	0.00	0.00	40.00	0.00	40.00
JP West Commercial Crime	0.00	0.00	0.00	0.00	50.00	0.00	50.00
JP West Flood	5.00	4.00	3.00	3.00	75.00	0.00	90.00
Marsh USA							
Marsh General Liability	5.00	5.00	5.00	4.00	70.00	0.00	89.00
Marsh Workers Compensation	5.00	5.00	5.00	5.00	65.00	0.00	85.00
Marsh Flood (partnered with Perez Ins.)	5.00	4.00	3.00	3.00	75.00	5.00	95.00
SWBC Insurance Services							
SWBC General Liability	5.00	5.00	5.00	4.00	70.00	0.00	89.00
SWBC Accident/Athletic Injury	5.00	5.00	3.00	5.00	70.00	0.00	88.00
SWBC Commercial Crime	5.00	5.00	3.00	5.00	65.00	0.00	83.00
SWBC Professional Employed Lawyer	5.00	5.00	5.00	5.00	50.00	0.00	70.00
USI Southwest							
USI Automobile	3.00	4.00	4.00	3.00	70.00	0.00	84.00
USI Workers Compensation	3.00	4.00	4.00	3.00	65.00	0.00	79.00
USI General Liability	3.00	4.00	1.00	3.00	40.00	0.00	51.00

ACTION ITEM

Meeting Date: August 13, 2015

Committee: *Facilities and Finance*

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

RECOMMENDATION

Approve the Investment Report for the month of May, 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 \$204,525 and the interest income earned and earnings credit for the fiscal year-to-date totaled \$1,897,297. The weighted average interest rate (WAR) at May 31, 2015 is .44%.

The Investment Report attached identifies HCC's investment holdings for the month ending May 31, 2015. It includes the unexpended proceeds of the various bond issues. The portfolio is highly liquid and secure with 77% of the assets invested in local government pools, money market funds, short-term certificates of deposit and interest bearing checking accounts. 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 - May, 2015**

This item is applicable to the following:

Central Coleman Northeast Northwest Southeast Southwest 3100

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

Beginning Book Value (MAY 1, 2015)	\$ 576,963,537
Beginning Market Value (MAY 1, 2015)	\$ 576,759,666
Additions/subtractions (Book value - Net)	\$ (20,387,946) *
Change in Market value	\$ (11,901)
Ending Book value (MAY 31, 2015)	\$ 556,575,591
Ending Market value (MAY 31, 2015)	\$ 556,319,689
Unrealized Gain/(Loss)	\$ (255,901)
WAM (77% 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 \$1,383,688 on deposit with Bank Of America which is earning higher than market yield from earning credits.

* Net amount provided/used for Operations	(18,766,500)
Net amount provided/used for CIP /Others	(1,621,445)
	<u>(20,387,946)</u>

EXECUTIVE SUMMARY
INVENTORY HOLDINGS REPORT
May 31, 2015

	<u>Ending Book Value</u>	<u>Ending Market Value</u>	<u>Unrealized Gain (Loss)</u>
US Treasuries	18,986,800	18,988,204	1,404
US Agencies	110,294,071	110,036,766	(257,305)
Local government pools	10,127,477	10,127,477	-
Money market funds	163,516,112	163,516,112	-
High yield savings	17,250,601	17,250,601	-
Certificates of deposit	195,250,000	195,250,000	-
Interest bearing checking	41,150,529	41,150,529	-
Total	<u>556,575,590</u>	<u>556,319,689</u>	<u>(255,901)</u>

WAR (weighted average interest rate)	<u>0.44%</u>
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INVESTMENTS
INVENTORY HOLDINGS REPORT (OPERATING AND OTHERS)
As of **MAY 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	52,018	55,239	53,619	(193)	53,426	55,037	(3)	1,611
Fannie Mae ARM Pool 805454	Bank of America	2.64%	12/23/04	12/01/34	45,752	48,997	51,765	(154)	51,611	48,807	(44)	(2,804)
Federal Farm Credit Bank US Domestic Bond	Bank of America	0.40%	08/03/12	08/03/15	1,000,000	1,000,657	1,000,000	0	1,000,000	1,000,457	(200)	457
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	1,938,298	2,000,000	0	2,000,000	1,935,486	(2,812)	(64,514)
Freddie Mac Domestic MTN Unsecured Bond	Bank of America	0.85%	03/10/14	03/10/17	1,000,000	998,454	1,000,000	0	1,000,000	998,188	(266)	(1,812)
Freddie Mac Domestic MTN Unsecured Bond	Bank of America	1.00%	08/22/12	02/22/18	1,000,000	996,737	1,000,000	0	1,000,000	997,009	272	(2,991)
Fannie Mae US Domestic Multi-step CPN Bond Structured Note	Bank of America	1.00%	08/27/12	08/27/27	2,000,000	2,002,532	1,990,000	(1,990,000)	-	-	-	-
Federal Home Loan Bank US Domestic Unsecured	Bank of America	0.25%	01/23/15	01/22/16	2,000,000	1,999,586	1,999,720	0	1,999,720	1,999,860	274	140
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	2,001,070	2,000,000	0	2,000,000	2,000,530	(540)	530
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	1,034,868	1,080,000	0	1,080,000	1,033,394	(1,474)	(46,606)
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	1,580,694	1,600,000	0	1,600,000	1,577,464	(3,230)	(22,536)
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	2,615,409	2,675,000	0	2,675,000	2,611,322	(4,087)	(63,678)
Federal Farm Credit Bank US Domestic Unsecured	Bank of America	1.00%	04/11/13	04/11/18	10,000,000	9,971,200	10,000,000	0	10,000,000	9,978,470	7,270	(21,530)
Fannie Mae US Domestic Multi-step cpn Bond Structured Note	Bank of America	0.80%	06/13/13	06/13/18	10,000,000	9,978,970	10,000,000	0	10,000,000	9,980,610	1,640	(19,390)
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	5,010,025	5,000,000	0	5,000,000	5,004,590	(5,435)	4,590
U.S. Treasury Notes US Govt. National	Bank of America	0.50%	07/10/14	06/30/16	4,000,000	4,007,812	4,001,250	0	4,001,250	4,006,564	(1,248)	5,314
Federal Home Loan Bank US Domestic Unsecured	Bank of America	0.52%	07/10/14	09/12/16	1,080,000	1,078,851	1,078,304	0	1,078,304	1,078,774	(77)	470
Federal Farm Credit Bank US Domestic Unsecured	Bank of America	1.22%	09/24/14	09/18/17	3,000,000	3,007,524	2,999,670	0	2,999,670	3,006,486	(1,038)	6,816
Freddie Mac Global Unsecured Bond	Bank of America	0.70%	09/29/14	09/29/16	5,000,000	5,003,650	5,000,000	0	5,000,000	5,001,850	(1,800)	1,850
Federal Home Loan Bank US Domestic Unsecured	Bank of America	0.25%	02/02/15	01/26/16	5,000,000	4,999,625	5,000,000	0	5,000,000	5,000,350	725	350
Fannie Mae US Domestic Multi-step cpn Bond Structured Note	Bank of America	0.65%	04/01/15	12/26/17	2,000,000	1,999,424	2,000,000	0	2,000,000	1,999,048	(376)	(952)
Federal Home Loan Bank US Domestic Unsecured	Bank of America	0.75%	04/06/15	12/16/16	2,000,000	2,001,036	2,001,040	0	2,001,040	2,000,430	(606)	(610)
Federal Home Loan Bank US Domestic Unsecured	Bank of America	0.25%	04/07/15	03/11/16	5,000,000	4,997,090	4,998,425	0	4,998,425	4,997,415	325	(1,010)
Federal Home Loan Bank US Domestic Unsecured	Bank of America	0.25%	04/07/15	03/11/16	5,000,000	4,997,090	4,998,425	0	4,998,425	4,997,415	325	(1,010)
Federal Home Loan Bank US Domestic series 000 unsecured	Bank of America	0.75%	04/13/15	04/13/17	2,775,000	2,773,510	2,775,000	0	2,775,000	2,774,015	505	(985)
Freddie Mac Global Unsecured Bond	Bank of America	0.70%	05/21/15	01/27/17	5,000,000	-	-	4,994,550	4,994,550	4,991,760	-	(2,790)
Federal Home Loan Bank GLOBAL Unsecured	Bank of America	0.25%	05/21/15	10/28/16	5,000,000	-	-	5,000,000	5,000,000	4,997,090	-	(2,910)
Federal Home Loan Bank US Domestic Unsecured	Bank of America	0.25%	05/21/15	04/29/16	5,000,000	-	-	4,998,850	4,998,850	4,996,630	-	(2,220)
U.S. Treasury Notes US Govt. National	Bank of America	0.50%	05/21/15	03/31/17	5,000,000	-	-	4,995,300	4,995,300	4,994,530	-	(770)
U.S. Treasury Notes US Govt. National	Bank of America	0.50%	05/21/15	10/31/16	5,000,000	-	-	4,996,500	4,996,500	4,994,530	-	(1,970)
Federal Farm Credit Bank US Domestic Unsecured	Bank of America	1.22%	05/21/15	03/27/17	5,000,000	-	-	4,993,550	4,993,550	4,988,945	-	(4,605)

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)
U.S. Treasury Notes US Govt. National	Bank of America	0.50%	05/21/15	04/30/17	5,000,000	-	-	4,993,750	4,993,750	4,992,580	-	(1,170)
Federal Home Loan Bank US Domestic Unsecured	Bank of America	0.25%	05/26/15	05/26/16	5,000,000	-	-	4,996,500	4,996,500	4,991,475	-	(5,025)
Freddie Mac MTN Domestic Unsecured Bond	Bank of America	0.70%	05/29/15	08/25/17	10,000,000	-	-	10,000,000	10,000,000	9,997,250	-	(2,750)
Freddie Mac MTN Domestic Unsecured Bond	Bank of America	0.70%	05/29/15	05/25/17	5,000,000	-	-	5,000,000	5,000,000	4,996,610	-	(3,390)
Plant Fund Interest Checking (10060-7201)	Bank Of America	0.11%	05/01/15			66,475	66,475	7	66,482	66,482	0	0
Debt Service 2001A Bond Int Checking (10080)	Bank Of America	0.11%	05/01/15			2,157,680	2,157,680	196	2,157,876	2,157,876	0	0
HCCS Merchant service (10012)	Bank Of America	0.30%	05/01/15			26,478,002	26,478,002	(7,005,291)	19,472,711	19,472,711	0	0
Checking Account- 10010-7306-2006 Jr. lien	Bank Of America	0.11%	05/01/15			229	229	0	229	229	0	0
LTD2013 Tax Bond General Checking A/C (10090)	Bank Of America	0.11%	05/01/15			8,906,457	8,906,457	8,614,637	17,521,094	17,521,094	0	0
LTD2003 Tax Bond Checking A/C (10092)	Bank Of America	0.11%	05/01/15			1,930,522	1,930,522	200	1,930,722	1,930,722	0	0
Managed PFI Account-10100-1110	Bank Of America	0.20%	05/01/15			1,415	1,415	0	1,415	1,415	0	0
Merrill Lynch, Pierce, Fenner & smith (1110)	Bank Of America	0.04%	05/01/15			455,809	455,809	16	455,824	455,824	0	0
Public Fund Money Market_Premier (159406615)	Regions Bank	0.18%	05/01/15			54,596,117	54,596,117	15,215,996	69,812,113	69,812,113	0	0
Public Fund Money Market_Premier (185913820)- fund 1110	Regions Bank	0.15%	05/01/15			120,398,588	120,398,588	(15,194,017)	105,204,572	105,204,572	0	0
Chase High Yield Savings (A/C 2049911718)	Chase Bank	0.03%	05/01/15			2,308	2,308	3,763,771	3,766,079	3,766,079	0	0
Chase High Yield Savings (A/C 3000684286)	Chase Bank	0.03%	05/01/15			80,290,827	80,290,827	(78,762,703)	1,528,125	1,528,125	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	0.43%	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	0.14%	05/01/15			1,597,677	1,597,677	187	1,597,864	1,597,864	0	0
Tex Pool	State Street Bank	0.06%	05/01/15			8,529,213	8,529,213	400	8,529,613	8,529,613	0	0
TOTAL						576,759,666	576,963,537	(20,387,946)	556,575,591	556,319,689	(11,901)	(255,901)

ACTION ITEM

Meeting Date: August 13, 2015

Committee: *Facilities and Finance*

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

RECOMMENDATION

Approve the Investment Report for the month of June, 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 \$170,263 and the interest income earned and earnings credit for the fiscal year-to-date totaled \$2,067,560. The weighted average interest rate (WAR) at June 30, 2015 is .45%.

The Investment Report attached identifies HCC's investment holdings for the month ending June 30, 2015. It includes the unexpended proceeds of the various bond issues. The portfolio is highly liquid and secure with 77% of the assets invested in local government pools, money market funds, short-term certificates of deposit and interest bearing checking accounts. 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 - June, 2015**

This item is applicable to the following:

Central Coleman Northeast Northwest Southeast Southwest 3100

HOUSTON COMMUNITY COLLEGE SYSTEM
INVESTMENT PORTFOLIO COMPOSITION
As of JUNE 30, 2015

Beginning Book Value (JUNE 1, 2015)	\$ 556,575,590
Beginning Market Value (JUNE 1, 2015)	\$ 556,319,689
Additions/subtractions (Book value - Net)	\$ (1,903,083) *
Change in Market value	\$ (106,159)
Ending Book value (JUNE 30, 2015)	\$ 554,672,507
Ending Market value (JUNE 30, 2015)	\$ 554,312,081
Unrealized Gain/(Loss)	\$ (360,426)
WAM (77% 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 \$4,292,840 on deposit with Bank Of America which is earning higher than market yield from earning credits.

* Net amount provided/used for Operations	3,237,734
Net amount provided/used for CIP /Others	(5,140,816)
	<u>(1,903,083)</u>

EXECUTIVE SUMMARY
INVENTORY HOLDINGS REPORT
June 30, 2015

	<u>Ending Book Value</u>	<u>Ending Market Value</u>	<u>Unrealized Gain (Loss)</u>
US Treasuries	18,986,800	18,990,154	3,354
US Agencies	110,292,688	109,928,908	(363,780)
Local government pools	10,128,067	10,128,067	-
Money market funds	175,496,800	175,496,800	-
High yield savings	5,294,343	5,294,343	-
Certificates of deposit	195,250,000	195,250,000	-
Interest bearing checking	39,223,809	39,223,809	-
Total	<u>554,672,507</u>	<u>554,312,081</u>	<u>(360,426)</u>

WAR (weighted average interest rate) 0.45%

INVESTMENTS
INVENTORY HOLDINGS REPORT (OPERATING AND OTHERS)
As of **JUNE 30, 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	51,829	55,037	53,426	(189)	53,237	54,925	82	1,687
Fannie Mae ARM Pool 805454	Bank of America	2.64%	12/23/04	12/01/34	45,598	48,807	51,611	(154)	51,456	46,874	(1,786)	(4,582)
Federal Farm Credit Bank US Domestic Bond	Bank of America	0.40%	08/03/12	08/03/15	1,000,000	1,000,457	1,000,000	0	1,000,000	1,000,192	(265)	192
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	1,935,486	2,000,000	0	2,000,000	1,906,682	(28,804)	(93,318)
Freddie Mac Domestic MTN Unsecured Bond	Bank of America	0.85%	03/10/14	03/10/17	1,000,000	998,188	1,000,000	(1,000,000)	-	-	-	-
Freddie Mac Domestic MTN Unsecured Bond	Bank of America	1.00%	08/22/12	02/22/18	1,000,000	997,009	1,000,000	0	1,000,000	996,387	(622)	(3,613)
Federal Home Loan Bank US Domestic Unsecured	Bank of America	0.25%	01/23/15	01/22/16	2,000,000	1,999,860	1,999,720	0	1,999,720	2,000,314	454	594
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	2,000,530	2,000,000	(2,000,000)	-	-	-	-
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	1,033,394	1,080,000	0	1,080,000	1,017,946	(15,447)	(62,054)
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	1,577,464	1,600,000	0	1,600,000	1,557,685	(19,779)	(42,315)
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	2,611,322	2,675,000	0	2,675,000	2,571,889	(39,432)	(103,111)
Federal Farm Credit Bank US Domestic Unsecured	Bank of America	1.00%	04/11/13	04/11/18	10,000,000	9,978,470	10,000,000	0	10,000,000	9,974,830	(3,640)	(25,170)
Fannie Mae US Domestic Multi-step cpn Bond Structured Note	Bank of America	0.80%	06/13/13	06/13/18	10,000,000	9,980,610	10,000,000	0	10,000,000	9,977,440	(3,170)	(22,560)
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	5,004,590	5,000,000	0	5,000,000	5,011,845	7,255	11,845
U.S. Treasury Notes US Govt. National	Bank of America	0.50%	07/10/14	06/30/16	4,000,000	4,006,564	4,001,250	0	4,001,250	4,006,564	-	5,314
Federal Home Loan Bank US Domestic Unsecured	Bank of America	0.52%	07/10/14	09/12/16	1,080,000	1,078,774	1,078,304	0	1,078,304	1,078,350	(424)	45
Federal Farm Credit Bank US Domestic Unsecured	Bank of America	1.22%	09/24/14	09/18/17	3,000,000	3,006,486	2,999,670	0	2,999,670	3,004,653	(1,833)	4,983
Freddie Mac Global Unsecured Bond	Bank of America	0.70%	09/29/14	09/29/16	5,000,000	5,001,850	5,000,000	(5,000,000)	-	-	-	-
Federal Home Loan Bank US Domestic Unsecured	Bank of America	0.25%	02/02/15	01/26/16	5,000,000	5,000,350	5,000,000	0	5,000,000	5,001,870	1,520	1,870
Fannie Mae US Domestic Multi-step cpn Bond Structured Note	Bank of America	0.65%	04/01/15	12/26/17	2,000,000	1,999,048	2,000,000	0	2,000,000	2,000,028	980	28
Federal Home Loan Bank US Domestic Unsecured	Bank of America	0.75%	04/06/15	12/16/16	2,000,000	2,000,430	2,001,040	(2,001,040)	-	-	-	-
Federal Home Loan Bank US Domestic Unsecured	Bank of America	0.25%	04/07/15	03/11/16	5,000,000	4,997,415	4,998,425	0	4,998,425	4,998,850	1,435	425
Federal Home Loan Bank US Domestic Unsecured	Bank of America	0.25%	04/07/15	03/11/16	5,000,000	4,997,415	4,998,425	0	4,998,425	4,998,850	1,435	425
Federal Home Loan Bank US Domestic series 000 unsecured	Bank of America	0.75%	04/13/15	04/13/17	2,775,000	2,774,015	2,775,000	0	2,775,000	2,773,968	(47)	(1,032)
Freddie Mac Global Unsecured Bond	Bank of America	0.70%	05/21/15	01/27/17	5,000,000	4,991,760	4,994,550	0	4,994,550	4,994,130	2,370	(420)
Federal Home Loan Bank GLOBAL Unsecured	Bank of America	0.25%	05/21/15	10/28/16	5,000,000	4,997,090	5,000,000	0	5,000,000	4,996,065	(1,025)	(3,935)
Federal Home Loan Bank US Domestic Unsecured	Bank of America	0.25%	05/21/15	04/29/16	5,000,000	4,996,630	4,998,850	0	4,998,850	4,997,090	460	(1,760)
U.S. Treasury Notes US Govt. National	Bank of America	0.50%	05/21/15	03/31/17	5,000,000	4,994,530	4,995,300	0	4,995,300	4,994,920	390	(380)
U.S. Treasury Notes US Govt. National	Bank of America	0.50%	05/21/15	10/31/16	5,000,000	4,994,530	4,996,500	0	4,996,500	4,996,875	2,345	375
Federal Farm Credit Bank US Domestic Unsecured	Bank of America	1.22%	05/21/15	03/27/17	5,000,000	4,988,945	4,993,550	0	4,993,550	4,992,925	3,980	(625)
U.S. Treasury Notes US Govt. National	Bank of America	0.50%	05/21/15	04/30/17	5,000,000	4,992,580	4,993,750	0	4,993,750	4,991,795	(785)	(1,955)

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)
Federal Home Loan Bank US Domestic Unsecured	Bank of America	0.25%	05/26/15	05/26/16	5,000,000	4,991,475	4,996,500	0	4,996,500	4,992,975	1,500	(3,525)
Freddie Mac MTN Domestic Unsecured Bond	Bank of America	0.70%	05/29/15	08/25/17	10,000,000	9,997,250	10,000,000	0	10,000,000	9,979,910	(17,340)	(20,090)
Freddie Mac MTN Domestic Unsecured Bond	Bank of America	0.70%	05/29/15	05/25/17	5,000,000	4,996,610	5,000,000	0	5,000,000	5,000,645	4,035	645
Federal Home Loan Bank US Domestic Unsecured	Bank of America	0.60%	06/17/15	05/25/17	5,000,000	-	-	5,000,000	5,000,000	4,998,685	-	(1,315)
Freddie Mac MTN Domestic Unsecured Bond	Bank of America	0.88%	06/30/15	06/30/17	5,000,000	-	-	5,000,000	5,000,000	5,002,905	-	2,905
Plant Fund Interest Checking (10060-7201)	Bank Of America	0.11%	06/01/15			66,482	66,482	6	66,488	66,488	0	0
Debt Service 2001A Bond Int Checking (10080)	Bank Of America	0.11%	06/01/15			2,157,876	2,157,876	181	2,158,057	2,158,057	0	0
HCCS Merchant service (10012)	Bank Of America	0.30%	06/01/15			19,472,711	19,472,711	4,989,419	24,462,130	24,462,130	0	0
Checking Account- 10010-7306-2006 Jr. lien	Bank Of America	0.11%	06/01/15			229	229	0	229	229	0	0
LTD2013 Tax Bond General Checking A/C (10090)	Bank Of America	0.11%	06/01/15			17,521,094	17,521,094	(6,916,328)	10,604,766	10,604,766	0	0
LTD2003 Tax Bond Checking A/C (10092)	Bank Of America	0.11%	06/01/15			1,930,722	1,930,722	0	1,930,722	1,930,722	0	0
Managed PFI Account-10100-1110	Bank Of America	0.20%	06/01/15			1,415	1,415	1	1,416	1,416	0	0
Merrill Lynch, Pierce, Fenner & smith (1110)	Bank Of America	0.04%	06/01/15			455,825	455,825	15	455,840	455,840	0	0
Public Fund Money Market_Premier (159406615)	Regions Bank	0.18%	06/01/15			54,888,015	54,888,015	13,705,814	68,593,830	68,593,830	0	0
Public Fund Money Market_Premier (185913820)- fund 1110	Regions Bank	0.15%	06/01/15			120,128,669	120,128,669	(13,681,539)	106,447,130	106,447,130	0	0
Chase High Yield Savings (A/C 2049911718)	Chase Bank	0.03%	06/01/15			3,766,079	3,766,079	99	3,766,178	3,766,178	0	0
Chase High Yield Savings (A/C 3000684286)	Chase Bank	0.03%	06/01/15			1,528,124	1,528,124	40	1,528,165	1,528,165	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	0.43%	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	0.15%	06/01/15			1,597,864	1,597,864	187	1,598,051	1,598,051	0	0
Tex Pool	State Street Bank	0.06%	06/01/15			8,529,613	8,529,613	403	8,530,016	8,530,016	0	0
TOTAL						556,319,689	556,575,590	(1,903,083)	554,672,507	554,312,081	(106,159)	(360,426)

ACTION ITEM

Meeting Date: August 13, 2015

Committee: *Facilities and Finance*

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

RECOMMENDATION

Approve the Financial Statement for the month of May 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 - May 2015**

This item is applicable to the following:

Central Coleman Northeast Northwest Southeast Southwest 3100

8/11/2015 9:39 AM



Summary Operating Statements

**For the Period
September 1, 2014 - May 31, 2015
For the Meeting of the Board of Trustees - August 13, 2015**

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



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

Houston Community College System

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

In the Unrestricted Fund as of May 31, 2015, total revenue received is \$285.5 million. This represents 95.7% of budgeted annual revenues of \$298.7 million. Expenses total \$217.8 million to date; which is 71% of the total expense budget of \$306.7 million. Compared with the same time last year, revenue shows a 6.1% increase, and expenses are 1% higher than the prior year. Actual net revenue is \$68 million to-date. That translates into a like amount increase in fund balance.

Tuition and fee revenue shows a 1.6% increase year-to-date, namely due to increases in enrollment. Tuition and fee revenue for Extended Learning shows a 36% 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 4.3%. 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 May 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	285,793,608	23,186,671	11,533,592	-	99,238,781	-	1,890,821	-	52,955,514	-	795	474,599,782
Expenses												
Salaries	132,263,432	4,455,377	3,518,642	-	2,656,482	-	166,794	-	-	-	-	143,060,727
Employee Benefits	14,498,631	10,436,345	756,654	-	301	-	37,725	-	-	-	-	25,729,655
Supplies & General Exp	3,005,976	165,594	748,948	-	-	-	2,068	90,129	-	-	-	4,012,715
Travel	725,366	162,309	170,180	-	-	-	-	-	-	-	-	1,057,855
Marketing Costs	817,826	24,187	17,721	-	-	-	-	-	-	-	-	859,734
Rentals & Leases	1,860,885	112,005	44,978	-	-	-	4,354	-	-	-	-	2,022,223
Insurance/Risk Mgmt	6,422,926	6,706	3,124	-	-	-	-	-	-	-	-	6,432,756
Contracted Services	15,951,964	2,684,173	1,205,179	-	-	-	133,921	-	285,682	-	-	20,260,920
Utilities	6,048,832	-	278,423	-	-	-	-	-	-	-	-	6,327,255
Other Departmental Expenses	1,101,625	96,960	2,816,549	-	-	-	-	-	-	-	-	4,015,135
Instructional and Other Materials	6,203,093	306,607	160,554	-	-	-	807,737	-	-	-	-	7,477,992
Maintenance and Repair	712,330	366,334	10,858	-	272,893	-	74,392	5,000	-	-	-	1,441,809
Transfers (In)/Out*	26,366,483	4,250,000	-	-	(2,679,264)	-	1,930,750	(8,250,000)	(21,617,969)	-	-	(0)
Debt	212,856	-	-	-	-	-	-	-	56,722,168	-	2,953,924	59,888,949
Capital Outlay	1,573,672	590,171	-	-	-	-	57,598,297	1,106,755	-	-	4,742	60,873,638
Depreciation	-	-	-	-	-	-	-	-	-	14,995,021	-	14,995,021
Scholarship Distribution					98,970,482							98,970,482
Total Expenses	217,765,900	23,656,770	9,731,811	-	99,220,894	-	60,756,038	(7,048,117)	35,389,882	14,995,021	2,958,666	457,426,865
NET REVENUE/(EXPENSES)	68,027,708	(470,099)	1,801,781	-	17,887	-	(58,865,218)	7,048,117	17,565,633	(14,995,021)	(2,957,871)	17,172,916
Fund Balance Entries	685,988	(491)				59,601	50,464,820	-		42,142,016	(59,782)	93,292,152
Fund Balance as of 05/31/2015	\$ 169,418,510	\$ 8,289,936	\$ 7,850,317	\$ 509,932	\$ 17,887	\$ -	\$ (2,981,421)	\$ 7,048,117	\$ 54,146,877	\$ 248,933,014	\$ (8,916,028)	\$ 484,317,141

*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 May 31, 2015
75% of Year Expended

HCCS CURRENT UNRESTRICTED

	Year-to-Date Actuals Thru May 31, 2015	FY2015 Budget	Actuals as a % of Budget	Year-to-Date Actuals Thru May 31, 2015	Year-to-Date Actuals Thru May 31, 2014	Increase (Decrease) FY2015 Compared to FY2014	% Increase (Decrease)
REVENUES							
State Appropriations	\$ 49,441,488	\$ 69,202,364	71.4%	\$ 49,441,488	\$ 49,494,917	\$ (53,429)	-0.1%
Ad Valorem Taxes	123,417,764	114,968,081	107.3%	123,417,764	110,727,935	12,689,829	11.5%
Tuition, Net	39,725,052	40,308,204	98.6%	39,725,052	38,701,780	1,023,272	2.6%
Fees	62,757,762	64,784,694	96.9%	62,757,762	62,156,607	601,155	1.0%
Other Local Income	1,751,357	2,247,796	77.9%	1,751,357	1,803,852	(52,494)	-2.9%
Tuition & Fee, Net	8,285,862	6,565,665	126.2%	8,285,862	6,090,932	2,194,929	36.0%
-- Extended Learning							
Indirect Cost Revenues, Grant	414,323	619,663	66.9%	414,323	483,261	(68,938)	-14.3%
Total Revenues	285,793,608	298,696,467	95.7%	285,793,608	269,459,285	16,334,323	6.1%
Fund Balance Transfers In	-	8,000,000	0.0%	-	-	-	0.0%
Total Revenues and Fund Balance Transfer	\$ 285,793,608	\$ 306,696,467	93.2%	\$ 285,793,608	\$ 269,459,285	\$ 16,334,323	6.1%
EXPENSES							
Salaries	132,263,432	180,771,510	73.2%	132,263,432	126,825,237	5,438,195	4.3%
Employee Benefits	14,498,631	20,230,175	71.7%	14,498,631	13,837,703	660,928	4.8%
Supplies Gen Exp	3,005,976	5,645,436	53.2%	3,005,976	3,592,947	(586,971)	-16.3%
Travel	725,366	1,305,745	55.6%	725,366	719,802	5,564	0.8%
Marketing Costs	817,826	1,366,810	59.8%	817,826	775,050	42,776	5.5%
Rental & Leases	1,860,885	2,476,739	75.1%	1,860,885	1,880,266	(19,381)	-1.0%
Insurance/Risk Mgmt	6,422,926	7,264,438	88.4%	6,422,926	6,462,004	(39,078)	-0.6%
Contract Services	15,951,964	24,295,689	65.7%	15,951,964	16,575,677	(623,713)	-3.8%
Utilities	6,048,832	10,283,832	58.8%	6,048,832	5,369,014	679,817	12.7%
Other Departmental Expenses	1,101,625	1,864,586	59.1%	1,101,625	1,876,763	(775,138)	-41.3%
Instructional & Other Materials	6,203,093	9,188,338	67.5%	6,203,093	5,804,555	398,538	6.9%
Maintenance & Repair	712,330	1,378,556	51.7%	712,330	997,793	(285,463)	-28.6%
Transfers/Debt	26,579,340	32,557,629	81.6%	26,579,340	26,775,779	(196,439)	-0.7%
Contingency	-	5,355,953	0.0%	-	-	-	0.0%
Capital Outlay	1,573,672	2,711,031	58.0%	1,573,672	4,995,290	(3,421,617)	-68.5%
Total Expenses	\$ 217,765,900	\$ 306,696,467	71.0%	\$ 217,765,900	\$ 216,487,880	1,278,020	0.6%
NET REVENUE/(EXPENSES)	\$ 68,027,708	\$ -	0.0%	\$ 68,027,708	\$ 52,971,404	\$ 15,056,303	28.4%

HOUSTON COMMUNITY COLLEGE SYSTEM

Auxiliary Budget By Fund as of May 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	4,359,550	380,545	-	-	1,721,529	-	361,960	-	6,823,584
Salaries	165,632	319,298	77,859			255,441	175,800		994,031
Benefits	41,988	82,605	17,956			59,262	42,575		244,385
Supplies Gen Exp	30,817	76,385	26,731				10,374		144,308
Travel		5,286	4,516			22,115			31,918
Marketing Costs		17,721							17,721
Rental & Leases	4,798	31,575					580		36,953
Contract Services	724,511	259,851	31,163				823		1,016,348
Utilities	276,723						1,700		278,423
Departmental Expenses		282,067		2,475,594		21,156			2,778,816
Instructional & Other	603						159,951		160,554
Materials									
Maintenance & Repair	1,204	4,009					5,645		10,858
Insurance/Risk Mgmt									-
Exemptions and Waivers								432,131	432,131
Transfer/Debt									-
Capital Outlay									-
Total Expense	1,246,278	1,078,798	158,226	2,475,594	-	357,974	397,447	432,131	6,146,448
Contribution to Fund Balance	3,113,273	(698,253)	(158,226)	(2,475,594)	1,721,529	(357,974)	(35,487)	(432,131)	677,136
Auxiliary Fund Balance - Uncommitted Portion									\$ 2,744,614

* 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 May 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	3,129,677	3,176,343	14,705	56,000	1,077,953	856,368	2,005,026	12,004,953
Salaries	1,800	2,303,575	2,305,375		6,800	51,361	161,075	219,236	3,518,642
Benefits		472,705	472,705			413	39,150	39,564	756,654
Supplies Gen Exp	189	1,130	1,320		34,780	490,378	78,162	603,321	748,948
Travel	13,283	12,973	26,257		1,885	70,135	39,985	112,005	170,180
Marketing Costs			-					-	17,721
Rental & Leases			-				8,025	8,025	44,978
Contract Services		48,000	48,000		3,650	38,849	98,332	140,831	1,205,179
Utilities			-					-	278,423
Departmental Expenses		3,595	3,595		3,850	8,855	21,432	34,137	2,816,549
Instructional & Other			-					-	160,554
Materials			-					-	10,858
Maintenance & Repair			-					-	3,124
Insurance/Risk Mgmt			-			567	2,557	3,124	3,124
Exemptions and Waivers			-			38,871	358	39,229	471,361
Transfer			-					-	-
Capital Outlay			-					-	-
Total Expense	15,273	2,841,979	2,857,252	-	50,965	699,430	449,077	1,199,472	10,203,172
Contribution to Fund Balance	31,393	287,698	319,091	14,705	5,035	378,523	407,291	805,554	1,801,781
Auxiliary Fund Balance - Intl, Committed, Total			\$ 2,051,786	\$ 21,914	\$ 298,764	\$ 1,347,291	\$ 1,385,948	\$ 3,053,918	\$ 7,850,317

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

Budgeted Expenditures	CENTRAL	NORTH WEST	NORTH EAST	SOUTH WEST	SOUTH EAST	COLEMAN	EXTENDED LEARNING	SYSTEM	Grand Total
Salary	\$ 24,625,140	\$ 26,322,233	\$ 19,514,309	\$ 26,841,671	\$ 16,263,542	\$ 11,969,318	\$ 10,476,827	\$ 44,758,470	\$ 180,771,510
Employee Benefits	-	-	-	-	-	-	-	20,230,175	20,230,175
Supplies & Gen	278,901	268,340	230,567	295,401	293,985	276,998	171,893	3,829,351	5,645,436
Travel	131,525	146,159	42,115	68,010	55,695	138,359	61,886	661,996	1,305,745
Marketing Costs	31,334	28,914	56,020	28,377	79,100	10,542	241,240	891,283	1,366,810
Rentals & Leases	2,270	79,089	956,853	514,149	77,605	453,109	22,677	370,987	2,476,739
Insurance/Risk Mgmt	934	273	-	154	-	-	-	7,263,077	7,264,438
Contracted Services	320,503	279,798	79,608	33,651	76,817	279,031	14,544	23,211,737	24,295,689
Utilities	5,125	-	4,600	1,826	-	-	-	10,272,281	10,283,832
Other Departmental Expenses	59,548	57,342	38,852	49,399	81,266	90,100	39,790	1,448,289	1,864,586
Instructional And Other Materials	468,327	148,296	151,644	190,420	70,127	298,378	606,212	7,254,934	9,188,338
Maintenance and Repair	134,523	38,816	131,134	54,318	15,750	62,144	121,603	820,268	1,378,556
Transfers/Debt	-	864,206	5,640,442	1,250,001	-	-	-	24,802,980	32,557,629
Contingency	448,126	490,298	82,448	216,431	176,421	252,969	168,724	3,520,536	5,355,953
Capital Outlay	486,905	139,746	412,017	91,695	29,959	48,788	9,375	1,492,546	2,711,031
Total	\$ 26,993,161	\$ 28,863,510	\$ 27,340,609	\$ 29,635,503	\$ 17,220,267	\$ 13,879,736	\$ 11,934,771	\$ 150,828,910	\$ 306,696,467

Houston Community College

Balance Sheet By Fund

For Month Ended May 31, 2015

	CURRENT & LOAN FUNDS ¹	PLANT & BOND FUNDS ²	Total All Funds
ASSETS			
Current Assets:			
Cash & cash equivalents	\$ 166,119,448	\$ 52,088,352	\$ 218,207,800
Restricted cash & cash equivalents	-	-	-
Short term Investments	-	-	-
Accounts/Other receivable (net)	22,109,734	2,524,175	24,633,909
Deferred charges	438,126	-	438,126
Prepays	98,647	1,346,598	1,445,245
Total Current Assets	188,765,956	55,959,124	244,725,080
Non-current Assets:			
Restricted cash & cash equivalents	-	221,727,788	221,727,788
Restricted long-term investments	-	120,093,443	120,093,443
Long-term investments	8,931,530	-	8,931,530
Capital Assets, net	-	915,831,273	915,831,273
Total Non-current Assets	8,931,530	1,257,652,504	1,266,584,034
Total Assets	\$ 197,697,486	\$ 1,313,611,628	\$ 1,511,309,114
LIABILITIES			
Current Liabilities:			
Accounts payable	2,680,682	1,496,386	4,177,069
Accrued liabilities	680,949	18,991	699,940
Compensated absences	2,357,551	-	2,357,551
Funds held for others	664,516	189,209	853,725
Deferred revenue	5,227,205	330,001	5,557,207
Notes payable-current portion	-	-	-
Bonds payable-current portion	-	-	-
Capital lease obligations-current	-	-	-
Total Current Liabilities	11,610,903	2,034,588	13,645,491
Non-current Liabilities:			
Deposits	-	-	-
Notes payable	-	162,488,336	162,488,336
Bonds payable	-	743,883,061	743,883,061
Capital lease obligations	-	98,059,058	98,059,058
Total Non-current Liabilities	-	1,004,430,455	1,004,430,455
Total Liabilities	\$ 11,610,903	\$ 1,006,465,042	\$ 1,018,075,945
Fund Balance-			
August 31, 2014 Audited	115,964,207	263,786,241	379,750,448
Revenues Over Expenditures			
Unrestricted	70,515,477		70,515,477
Restricted	(393,102)		(393,102)
Net Investment in Plant		43,360,346	43,360,346
Total Fund Balances, Unaudited	\$ 186,086,582	\$ 307,146,587	\$ 493,233,169
Total Liabilities & Fund Balances	\$ 197,697,485	\$ 1,313,611,629	\$ 1,511,309,114

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 May 31, 2015

Account	FY 2013-14		FY 2014-15
	End of Year	Year-to-Date	Year-to-Date
	Activity	Activity thru	Activity thru
Tuition			
Budget:			
Adjusted Budget FY 2014-15, Net			\$ 40,308,204
Revenues Received:			
Tuition	45,771,753	45,613,287	46,162,342
Waivers & Exemptions:			
Dual Credit & Early College HS	(4,931,925)	(4,852,869)	(4,922,040)
Other	(2,100,332)	(2,058,638)	(1,515,250)
Total Waivers & Exemptions	(7,032,257)	(6,911,507)	(6,437,290)
Total Tuition Revenue, Net	\$ 38,739,497	\$ 38,701,780	\$ 39,725,052

Tuition - Extended Learning			
Budget:			
Budget FY 2014-15, Net			\$ 6,565,665
Revenues Received:			
Tuition	8,931,465	7,758,393	9,863,050
Waivers & Exemptions:			
Department of Corrections	(2,021,386)	(1,667,461)	(1,577,188)
Total EL Tuition Revenue, Net	\$ 6,910,079	\$ 6,090,932	\$ 8,285,862

Exemptions & Waivers	FY 2013-14		FY 2014-15		Actuals % Inc/(Dec)YTD vs. Prior YTD
	End of Year	Year-to-Date	Year-to-Date		
	Activity	Activity thru	Activity thru		
Dept of Corrections	\$ 2,021,386	\$ 1,667,461	\$ 1,577,188		-5.4%
Dual Credit Waiver	2,790,344	2,709,876	3,467,784		28.0%
Early College High School	2,141,581	2,142,993	1,454,256		-32.1%
Other:					
Employee Fee Exemptions	69,909	66,565	56,014		-15.9%
Firemen	26,082	22,833	12,393		-45.7%
Hazelwood	1,416,167	1,395,965	880,896		-36.9%
Deaf & Blind	207,012	202,261	187,955		-7.1%
High Ranking Hi SCH Grad	1,240	1,240	1,805		45.6%
Child of Disabled Vet ETC	285	285	7,264		0.0%
Nonres Teach/Research Asst	6,372	6,638	6,363		-4.1%
Nonres Competitive Scholar	11,346	11,346	8,558		-24.6%
Senior Citizens	15,532	15,625	13,413		-14.2%
Misc Tuition/Fees Waivers	6,576	6,576	-		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	296,404	242,804		-18.1%
Undocumented Students	11,383	11,383	5,643		0.0%
TX Tomorrow Waiver	2,912	2,558	5,810		0.0%
Surviving Spouse/Children	2,120	2,120	-		0.0%
Peace Officer Exemption	3,655	3,656	3,582		-2.0%
Adopted Student Waiver	-	-	81,610		0.0%
Stipends	3,000	3,000	252		0.0%
Scholars Costs Funded by State	6,050	-	-		0.0%
Total Other Exemptions	2,100,332	2,058,638	1,515,250		-26.4%
Grand Total Exemptions & Waivers	\$ 9,053,643	\$ 8,578,968	\$ 8,014,478		-6.6%

ACTION ITEM

Meeting Date: August 13, 2015

Committee: *Facilities and Finance*

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

RECOMMENDATION

Approve the Financial Statement for the month of June 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 - June 2015**

This item is applicable to the following:

Central Coleman Northeast Northwest Southeast Southwest 3100



Summary Operating Statements

**For the Period
September 1, 2014 - June 30, 2015
For the Meeting of the Board of Trustees - August 13, 2015**

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



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For the Period September 1, 2014 - June 30, 2015

Houston Community College System

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Houston Community College System
Summary of Financial Statements
As of June 30, 2015

In the Unrestricted Fund as of June 30, 2015, total revenue received is \$295.4 million. This represents 98.9% of budgeted annual revenues of \$298.7 million. Expenses total \$238.7 million to date; which is 77.8% of the total expense budget of \$306.7 million. Compared with the same time last year, revenue shows a 6.2% increase, and expenses are 1% higher than the prior year. Actual net revenue is \$56.8 million to-date. That translates into a like amount increase in fund balance.

Tuition and fee revenue shows a 2.5% increase year-to-date, namely due to increases in enrollment. Tuition and fee revenue for Extended Learning shows a 40.3% 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 3.9%. 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 June 30, 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	295,434,655	25,186,662	12,500,468	-	103,385,377	-	1,934,294	-	53,059,459	-	795	491,501,708
Expenses												
Salaries	144,896,174	4,955,517	3,922,583	-	2,688,922	-	185,327	-	-	-	-	156,648,523
Employee Benefits	16,161,339	11,589,491	848,310	-	303	-	41,916	-	-	-	-	28,641,360
Supplies & General Exp	3,482,839	188,015	881,911	-	-	-	2,068	150,666	-	-	-	4,705,499
Travel	815,291	174,195	206,286	-	-	-	846	-	-	-	-	1,196,619
Marketing Costs	939,342	27,786	17,721	-	-	-	-	-	-	-	-	984,849
Rentals & Leases	2,027,981	121,055	52,982	-	-	-	4,889	-	-	-	-	2,206,906
Insurance/Risk Mgmt	6,423,066	6,706	4,398	-	-	-	-	-	-	-	-	6,434,170
Contracted Services	18,088,234	2,926,188	1,339,784	-	-	-	1,145,930	-	290,207	-	-	23,790,343
Utilities	6,803,186	-	324,145	-	-	-	-	-	-	-	-	7,127,331
Other Departmental Expenses	1,297,976	102,546	3,008,242	-	-	-	-	-	-	-	-	4,408,765
Instructional and Other Materials	6,895,764	322,753	176,356	-	-	-	807,737	-	-	-	-	8,202,610
Maintenance and Repair	763,183	400,855	13,250	-	258,864	-	74,392	14,874	-	-	-	1,525,419
Transfers (In)/Out*	27,944,164	4,250,000	-	-	(3,256,813)	-	930,620	(8,250,000)	(21,617,970)	-	-	0
Debt	258,706	-	-	-	-	-	78,726	-	52,757,586	-	2,743,418	55,838,436
Capital Outlay	1,856,354	675,771	-	-	-	-	63,022,467	1,292,395	-	-	5,269	66,852,255
Depreciation	-	-	-	-	-	-	-	-	-	16,726,060	-	16,726,060
Scholarship Distribution					103,569,433							103,569,433
Total Expenses	238,653,597	25,740,880	10,795,969	-	103,260,709	-	66,294,918	(6,792,065)	31,429,823	16,726,060	2,748,687	488,858,578
NET REVENUE/(EXPENSES)	56,781,057	(554,218)	1,704,498	-	124,667	-	(64,360,624)	6,792,065	21,629,636	(16,726,060)	(2,747,892)	2,643,129
Fund Balance Entries	685,988	(491)				59,601	55,923,573	-		42,455,951	(59,782)	99,064,840
Fund Balance as of 06/30/2015	\$ 158,171,860	\$ 8,205,817	\$ 7,753,034	\$ 509,932	\$ 124,667	\$ -	\$ (3,018,073)	\$ 6,792,065	\$ 58,210,880	\$ 247,515,910	\$ (8,706,049)	\$ 475,560,042

*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 June 30, 2015
83.3% of Year Expended

HCCS CURRENT UNRESTRICTED

	Year-to-Date Actuals Thru June 30, 2015	FY2015 Budget	Actuals as a % of Budget	Year-to-Date Actuals Thru June 30, 2015	Year-to-Date Actuals Thru June 30, 2014	Increase (Decrease) FY2015 Compared to FY2014	% Increase (Decrease)
REVENUES							
State Appropriations	\$ 56,010,637	\$ 69,202,364	80.9%	\$ 56,010,637	\$ 56,064,066	\$ (53,429)	-0.1%
Ad Valorem Taxes	123,472,014	114,968,081	107.4%	123,472,014	111,218,514	12,253,500	11.0%
Tuition, Net	40,462,280	40,308,204	100.4%	40,462,280	39,077,775	1,384,506	3.5%
Fees	64,149,455	64,784,694	99.0%	64,149,455	63,005,040	1,144,415	1.8%
Other Local Income	1,872,547	2,247,796	83.3%	1,872,547	1,965,384	(92,836)	-4.7%
Tuition & Fee, Net	9,044,807	6,565,665	137.8%	9,044,807	6,447,381	2,597,426	40.3%
-- Extended Learning							
Indirect Cost Revenues, Grant	422,914	619,663	68.2%	422,914	521,836	(98,922)	-19.0%
Total Revenues	295,434,655	298,696,467	98.9%	295,434,655	278,299,994	17,134,660	6.2%
Fund Balance Transfers In	-	8,000,000	0.0%	-	-	-	0.0%
Total Revenues and Fund Balance Transfer	\$ 295,434,655	\$ 306,696,467	96.3%	\$ 295,434,655	\$ 278,299,994	\$ 17,134,660	6.2%
EXPENSES							
Salaries	144,896,174	180,563,163	80.2%	144,896,174	139,394,655	5,501,518	3.9%
Employee Benefits	16,161,339	20,230,175	79.9%	16,161,339	15,272,879	888,461	5.8%
Supplies Gen Exp	3,482,839	6,054,936	57.5%	3,482,839	4,025,347	(542,508)	-13.5%
Travel	815,291	1,330,886	61.3%	815,291	816,159	(868)	-0.1%
Marketing Costs	939,342	1,369,299	68.6%	939,342	834,455	104,887	12.6%
Rental & Leases	2,027,981	2,411,703	84.1%	2,027,981	2,030,881	(2,900)	-0.1%
Insurance/Risk Mgmt	6,423,066	7,264,452	88.4%	6,423,066	6,450,392	(27,326)	-0.4%
Contract Services	18,088,234	24,112,550	75.0%	18,088,234	18,225,778	(137,544)	-0.8%
Utilities	6,803,186	10,281,047	66.2%	6,803,186	6,058,723	744,463	12.3%
Other Departmental Expenses	1,297,976	2,067,821	62.8%	1,297,976	1,984,869	(686,893)	-34.6%
Instructional & Other Materials	6,895,764	9,291,942	74.2%	6,895,764	6,489,610	406,154	6.3%
Maintenance & Repair	763,183	1,385,576	55.1%	763,183	1,136,533	(373,350)	-32.8%
Transfers/Debt	28,202,870	32,748,371	86.1%	28,202,870	29,045,580	(842,710)	-2.9%
Contingency	-	3,680,745	0.0%	-	-	-	0.0%
Capital Outlay	1,856,354	3,903,801	47.6%	1,856,354	5,337,505	(3,481,152)	-65.2%
Total Expenses	\$ 238,653,597	\$ 306,696,467	77.8%	\$ 238,653,597	\$ 237,103,365	1,550,232	0.7%
NET REVENUE/(EXPENSES)	\$ 56,781,057	\$ -	0.0%	\$ 56,781,057	\$ 41,196,629	\$ 15,584,428	37.8%

HOUSTON COMMUNITY COLLEGE SYSTEM

Auxiliary Budget By Fund as of June 30, 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	4,779,015	444,746	-	-	1,721,529	-	429,067	-	<u>7,374,357</u>
Salaries	185,602	380,347	86,510			279,589	195,078		1,127,126
Benefits	47,304	93,562	19,951			64,832	47,322		272,970
Supplies Gen Exp	34,792	102,419	26,801				11,929		175,941
Travel		6,032	5,967			22,115			34,115
Marketing Costs		17,721							17,721
Rental & Leases	5,247	34,750					960		40,957
Contract Services	772,681	286,284	32,879				823		1,092,666
Utilities	322,445						1,700		324,145
Departmental Expenses		300,375		2,635,713		21,156			2,957,244
Instructional & Other	762						175,594		176,356
Materials									
Maintenance & Repair	1,204	4,009					8,037		13,250
Insurance/Risk Mgmt									-
Exemptions and Waivers								389,435	389,435
Transfer/Debt									-
Capital Outlay									-
Total Expense	<u>1,370,036</u>	<u>1,225,498</u>	<u>172,108</u>	<u>2,635,713</u>	<u>-</u>	<u>387,692</u>	<u>441,443</u>	<u>389,435</u>	<u>6,621,926</u>
Contribution to Fund Balance	<u>3,408,978</u>	<u>(780,751)</u>	<u>(172,108)</u>	<u>(2,635,713)</u>	<u>1,721,529</u>	<u>(387,692)</u>	<u>(12,376)</u>	<u>(389,435)</u>	<u>752,431</u>
Auxiliary Fund Balance - Uncommitted Portion									<u><u>\$ 2,819,909</u></u>

* 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 June 30, 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	3,460,143	3,506,809	18,775	56,000	1,100,594	884,510	2,059,879	12,941,045
Salaries	1,800	2,549,032	2,550,832		6,800	56,629	181,196	244,626	3,922,583
Benefits		530,860	530,860			524	43,956	44,480	848,310
Supplies Gen Exp	189	1,178	1,368		37,872	551,315	115,416	704,603	881,911
Travel	19,563	13,155	32,718		2,030	82,419	55,005	139,454	206,286
Marketing Costs			-					-	17,721
Rental & Leases			-				12,025	12,025	52,982
Contract Services		66,000	66,000		3,650	57,100	120,367	181,117	1,339,784
Utilities			-					-	324,145
Departmental Expenses		3,595	3,595		15,260	8,880	23,262	47,403	3,008,242
Instructional & Other			-					-	176,356
Materials			-					-	13,250
Maintenance & Repair			-					-	4,398
Insurance/Risk Mgmt			-			980	3,418	4,398	4,398
Exemptions and Waivers			-			49,362	1,780	51,142	440,577
Transfer			-					-	-
Capital Outlay			-					-	-
Total Expense	21,552	3,163,820	3,185,372	-	65,612	807,210	556,426	1,429,248	11,236,547
Contribution to Fund Balance	25,114	296,322	321,436	18,775	(9,612)	293,384	328,084	630,631	1,704,498
Auxiliary Fund Balance - Intl, Committed, Total			\$ 2,054,131	\$ 25,984	\$ 284,117	\$ 1,262,152	\$ 1,306,741	\$ 2,878,994	\$ 7,753,034

HOUSTON COMMUNITY COLLEGE
FY 2014-15 Adjusted Budget by Colleges
as of June 30, 2015

Budgeted Expenditures	CENTRAL	NORTH WEST	NORTH EAST	SOUTH WEST	SOUTH EAST	COLEMAN	EXTENDED LEARNING	SYSTEM	Grand Total
Salary	\$ 24,667,231	\$ 26,342,315	\$ 19,522,801	\$ 26,789,893	\$ 16,334,268	\$ 11,879,806	\$ 10,855,447	\$ 44,171,402	\$ 180,563,163
Employee Benefits	-	-	-	-	-	-	-	20,230,175	20,230,175
Supplies & Gen	294,508	281,357	240,894	348,797	291,147	297,279	169,509	4,131,445	6,054,936
Travel	130,638	143,262	38,138	67,933	53,180	138,863	58,026	700,846	1,330,886
Marketing Costs	31,334	28,947	56,020	31,259	101,822	12,692	241,240	865,985	1,369,299
Rentals & Leases	2,270	78,725	945,532	478,901	77,605	453,109	22,110	353,451	2,411,703
Insurance/Risk Mgmt	1,004	273	-	98	-	-	-	7,263,077	7,264,452
Contracted Services	326,039	270,912	72,481	26,459	65,795	268,933	14,544	23,067,387	24,112,550
Utilities	5,125	-	4,600	1,826	-	-	-	10,269,496	10,281,047
Other Departmental Expenses	50,881	59,129	37,527	46,703	69,724	89,450	36,290	1,678,117	2,067,821
Instructional And Other Materials	469,293	140,598	161,767	177,733	72,821	316,238	585,654	7,367,838	9,291,942
Maintenance and Repair	148,523	46,409	132,851	51,365	11,864	55,239	121,311	818,014	1,385,576
Transfers/Debt	-	864,206	5,640,442	1,250,001	-	-	-	24,993,722	32,748,371
Contingency	471,296	8,842	15,388	841	145,421	48,731	-	2,990,226	3,680,745
Capital Outlay	472,905	617,479	445,132	298,584	58,159	233,334	137,915	1,640,293	3,903,801
Total	\$ 27,071,047	\$ 28,882,454	\$ 27,313,573	\$ 29,570,393	\$ 17,281,806	\$ 13,793,674	\$ 12,242,046	\$ 150,541,474	\$ 306,696,467

REPORT ITEM

Meeting Date: August 13, 2015

Committee: *Facilities and Finance*

ITEM NO.	ITEM TITLE	PRESENTER
11	Update on Strategic Planning	Dr. Cesar Maldonado Dr. Edmund Herod

DISCUSSION

Provide an update on strategic planning.

DESCRIPTION OR BACKGROUND:

HCC is currently developing the planning and engagement process for the 2016-2019 Strategic Plan.

FISCAL IMPACT:

N/A

STRATEGIC GOAL ALIGNMENT

Strategic Initiative: Support Innovation

This item is applicable to the following:

Central Coleman Northeast Northwest Southeast Southwest 3100

ACTION ITEM

Meeting Date: August 13, 2015

Committee: *Facilities and Finance*

ITEM NO.	ITEM TITLE	PRESENTER
12	Capital & Technology Plan for Fiscal Year 2015-2016	Dr. Cesar Maldonado Teri Zamora

RECOMMENDATION

Approve the proposed Capital & Technology Plan for Fiscal Year 2015-2016 in the amount of \$9,000,000.

COMPELLING REASON/RATIONALE

Expendable funds currently exist in the Restricted, Unexpended Plant and Retirement of Debt Funds, with balances as of June 30, 2015 as noted below:

Fund 2 – Restricted	\$4,300,000
Fund 7 – Unexpended Plant	\$552,328
Fund 8 – Retirement of Debt	\$7,756,209

DESCRIPTION OR BACKGROUND

The sources of these funds are:

Fund 2 - Restricted	Funds represent a buildup of savings-to-date from the work of the Budget Task Force in fiscal years 2008 through 2011. These funds have been set aside for future needs.
Fund 7 - Unexpended Plant	Funds represent a portion of the Technology Fee charged to students for replacement and maintenance of technology and instructional equipment. This portion of the fee began in fiscal year 2010. Students are currently charged \$0.50 per semester credit hour, producing approximately \$560,000 per year.
Fund 8 - Retirement of Debt	Funds represent a portion of the Technology Fee charged to students for repayment of debt issued in 2006 to purchase technology equipment. This portion of the fee began in fiscal year 2007, and has accumulated a balance collected in excess of that needed to make the debt payments annually. Students are currently charged \$4.50 per semester credit hour, producing approximately \$2,175,000 per year in excess of funds needed for debt repayment.

The Capital and Technology Plan proposed for Fiscal Year 2015-2016 is to use portions of the funds in the following manner:

Fund 2 - Restricted	\$1,000,000 to fund security upgrades \$3,000,000 to fund upgrade/replacement of IT equipment \$4,000,000
Fund 7 - Unexpended Plant	\$ 500,000 to fund instructional equipment
Fund 8 - Retirement of Debt	\$4,500,000 to fund instructional equipment

FISCAL IMPACT

Fiscal Year 2015-2016 in the amount of \$9,000,000.

LEGAL REQUIREMENT

N/A

STRATEGIC GOAL ALIGNMENT

Strategic Initiative: Support Innovation

This item is applicable to the following:

Central Coleman Northeast Northwest Southeast Southwest 3100