LEE COLLEGE

MEETING OF THE BOARD OF REGENTS
LEE COLLEGE DISTRICT
BOARD BUDGET WORKSHOP
July 23, 2026

The Board of Regents of the Lee College District met on July 23, 2026, at 4:00 p.m. at John B. Tucker Hall. Chairman Santana called the meeting to order stating that the meeting was duly posted, and a quorum was present.

PRESENT: Gilbert Santana, Chairman; Pam Warford, Vice Chair; Mark Himsel, Secretary; Gina Guillory, Assistant Secretary; Weston Cotten; Daryl Fontenot; Mark Hall; Judy Jirrels; Heron Thomas

Jacob Atkin, President

ABSENT: None

WORKSHOP – FY 2027 BUDGET

This workshop is to present updated revenue projections for FY 2027, along with corresponding budget changes because of the anticipated revenue decrease, Mr. Atkin said. Prior to adoption of the budget on August 20, receipt of certified tax rolls is expected from Chambers County and Harris County, he said, with the tax rate adoption process to begin in September.

Compared to the current year budget, an increase next year of $776,617 in Maintenance & Operations (M&O) tax revenue and a decrease next year of $260,676 in Interest & Sinking (I&S) tax revenue are proposed, Mr. Atkin said, with no change in the tax rate. The college's debt payment structure allows for less tax revenue to be devoted next year to I&S, and more tax revenue to M&O, he said. A new addition to the revenue budget – collection of prior-year delinquent taxes – is conservatively expected to result in $650,000 in revenue. The college collects delinquent taxes every year, but this income has not been budgeted, Mr. Atkin noted.

State appropriations for FY 2027 are budgeted to decrease by more than $3.8 million, Mr. Atkin said. Overall, proposed revenues totaling $83.9 million for FY 2027 are $2.7 million less than revenues of $86.6 million that were budgeted for the current fiscal year.

Although proposed tax revenues are projected to increase, Mr. Atkin reminded Regents of uncertainty in property valuations until certified valuation rolls are received. Also, he reviewed the three major changes in the way state appropriations will be calculated next year, leading to the projected $3.8 million decrease in state funding for Lee College. With anticipated adjustments by the state, such sharp state funding decreases are not expected in the future, Mr. Atkin said.

With tuition & fees frozen for a third consecutive year by the Governor of Texas, and little change in enrollment expected at Lee College, little change is proposed to the college's tuition & fee structure and revenue, Mr. Atkin said. Tuition waivers are budgeted at $1 million instead of $1.3 million to reflect actuals more closely, he said. Loss of Huffman ISD dual credit students to Lone Star College will be roughly offset by addition of Academic Associate (AA) degree program at Huntsville Center, he said.

To offset the anticipated overall revenue decrease in the FY 2027 proposed budget, Mr. Atkin proposed budgeting nearly $2.4 million in decreased expenses for the next fiscal year: $84.2 million for FY 2027, compared to $86.6 million that was budgeted for the current fiscal year.

Salaries and benefits are budgeted to decrease $183,725 for FY 2027, compared to the current year budget. Proposed increases, such as a 3% cost-of-living increase ($1.1 million) and $452,559 to cover greater employee benefit costs, are more than offset by reductions, such as eliminated positions ($1.6 million) and a $298,837 decrease in stipends and overtime.

Proposed cuts in operating expenses of just over $2 million for FY 2027 include $800,000 to forego funding the insurance reserve, $251,300 in scholarship funding by the college for CCAMPIS because federal funding was restored, $435,531 less for travel and professional development, and $422,339 removed for various other operating expenses. Q&A ensued regarding calculation/determination of total funds in reserve, the amount of cash on hand, use of interest generated by funds in reserve, and decreased interest income budgeted for FY 2027.

Between proposed overall expenses of $84.2 million, and proposed overall revenues of $83.9 million, the current difference for FY 2027 is just over $300,000, Mr. Atkin noted. The FY 2027 budget won't be finalized until certified property valuations are received, he said.

Unspent Capital Project funds of $6.7 million in the current year budget are proposed to roll over to FY 2027, with a few adjustments based on re-prioritization of projects, Mr. Atkin said. He proposed that $5 million – consisting of $4 million of projected overall budget surplus and $1 million of Capital Project roll over – be earmarked for one-time Information Technology (IT) capital purchases in FY 2027.

A chart was presented that lists position titles of the more than $1.6 million in positions to be eliminated. Some have been vacant for a long time; others will be filled by adjunct instructors at a reduced cost, Mr. Atkin said. All positions are presently vacant; no layoffs are planned, he said. Another chart listed new positions to be added – one created and filled after the current year budget was adopted; a handful of others are to establish the AA degree program at Huntsville Center. Tuition generated by the degree program in large part will cover those position costs.

Mr. Atkin lauded Cabinet members for their work as a team in making difficult decisions to meet budget constraints. Travel in the new fiscal year will be restricted, and professional development will need to be online, he said. Travel for the Board of Regents and the President will be reduced. Cuts made for FY 2027 have led to employee concerns about future years, Mr. Atkin noted. As state funding stabilizes next year and beyond, a similar process will take place to return items to the budget, plus to implement desired items such as more funding for student employee jobs, he said. The workshop concluded following brief additional comments and questions by Regents.

MATTERS OF CONCERN FOR FUTURE AGENDAS

None.

Adjournment

Chairman Santana declared the meeting adjourned at 4:49 p.m.

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Chairman, Board of Regents Secretary, Board of Regents