



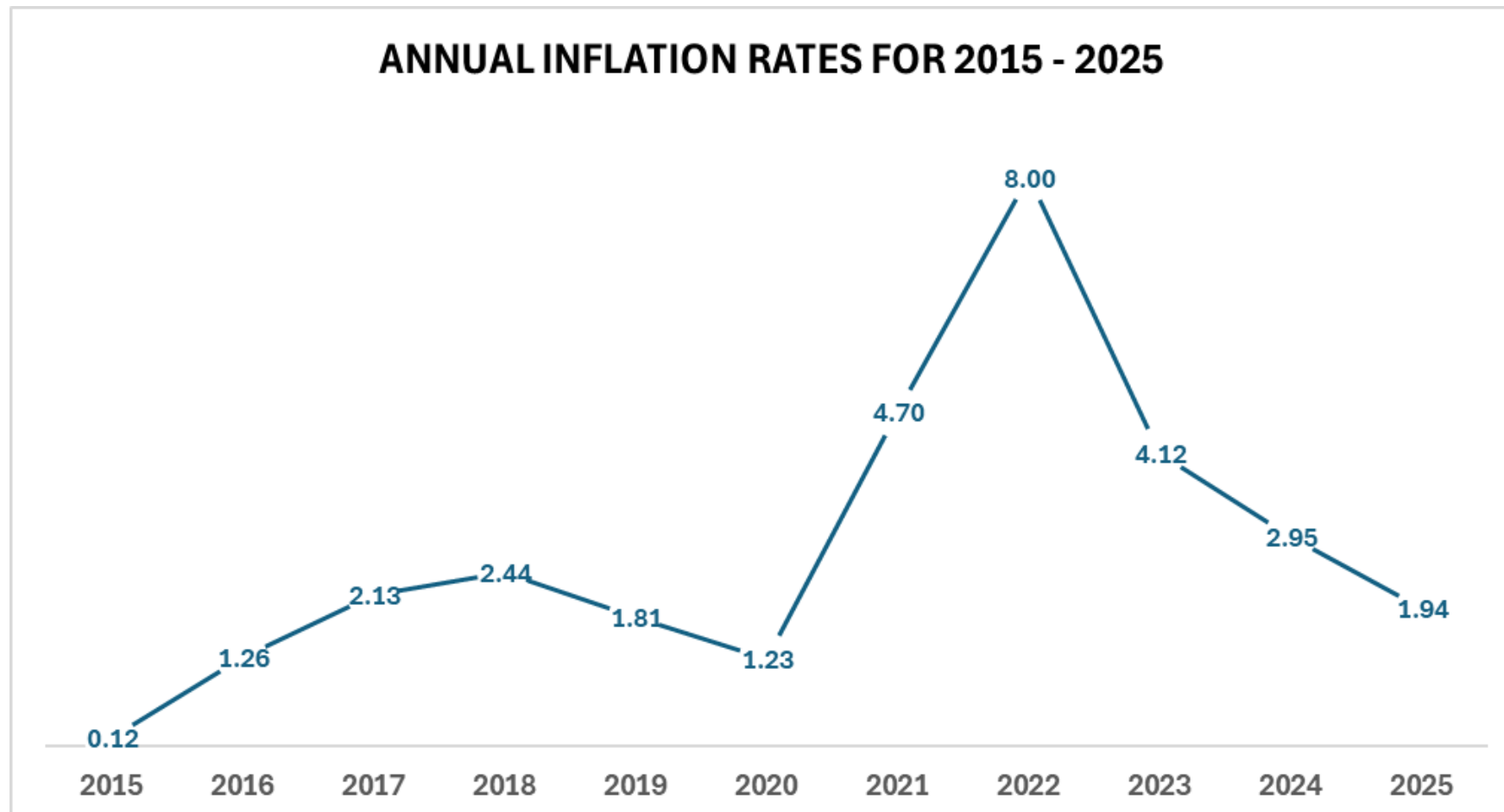
# FISCAL YEAR 2025-2026 BUDGET EXPENSE OVERVIEW

## BUDGET TIMELINE

Date	Activity
May 29, 2025	Budget Workshop #1 - Discuss Revenues
July 1, 2025	Budget Workshop #2 - Discuss Expenditures
July 24, 2025	Board Meeting - Adoption of FY26 Budget
July 2025	Receive Chambers County Certified Tax Rolls
August 2025	Receive Harris County Certified Tax Rolls
September 2025	Obtain approval for 2025 Tax Rate

<b>FUTURE BUDGET TIMELINE</b>	
<b>October 2025</b>	Cabinet Discussion of 2026-27 Budget Calendar & Guidelines
<b>December 2025</b>	Budget Administrators receive Excel Worksheets to prepare their FY 2026-27 Budget Allocation Worksheets
<b>December 2025</b>	Budget Administrators receive Excel Worksheets with 2 year (FY 2024 and FY 2025) historical data to assist in FY 2026-27 proposed budget
<b>December 2025</b>	Budget planing discussion and approval of FY2026-27 budget calendar and guidelines by Board of Trustees.
<b>December 2025</b>	Distribute FY 2026-27 Budget Calendar to Budget Administrators
<b>January 2026</b>	Budget Kick-off Meeting with Cabinet and Budget Administrators
<b>January 2026</b>	FY 2026-27 Position Changes are due to Human Resources
<b>February 2026</b>	Approved Budget Worksheets Due to Controller's Office
<b>February 2026</b>	Budgets submitted to Supervisors for review and approve
<b>March 2026</b>	Budget Review with CFO & Controller with each Cabinet Member
<b>March 2026</b>	Budget Workshop (Preliminary Revenues)
<b>April 2026</b>	Budget Workshop (Preliminary Expenses)
<b>April 2026</b>	Receive Preliminary Tax Rolls
<b>May 2026</b>	Budget Workshop (Revenues and Expenses)
<b>June 2026</b>	Budget Workshop (Revenues and Expenses)
<b>July 2026</b>	Public Hearing & Adoption of FY 2026-27 Budget
<b>August 2026</b>	Receive HCAD & CCAD Preliminary Certification Values

# INFLATION RATES FOR 2015 - 2025



# FY 2025 EXPENSE OVERVIEW

Budget Comparison FY2025 Budget & Actuals						
	FY2025 Budget	Year-to-Date May 31, 2025	Actuals as a % of Budget	Prior Year thru May 31, 2024	% Change	
<b>EXPENSES</b>						
Salaries	\$ 41,693,923	\$ 29,962,014	72%	\$ 27,621,315	8.47%	
Benefits	8,525,743	5,943,333	70%	5,582,400	6.47%	
Operating	30,678,554	18,254,748	60%	14,900,922	22.51%	
Debt	8,163,780	1,791,034	22%	1,831,869	-2.23%	
<b>Total Expenses</b>	<b>\$ 89,062,000</b>	<b>\$ 55,951,129</b>	<b>63%</b>	<b>\$ 49,936,506</b>	<b>12.04%</b>	

# COLLEGE GROWTH: FIVE YEAR ANALYSIS

	FY 2021	FY 2022	FY 2023	FY 2024	Projected FY 2025	Avg % Change
<b>EXPENSES</b>						
Salaries	\$30,507,096	\$ 31,439,372	\$ 33,685,983	\$36,962,488 <sup>1</sup>	\$40,413,330	7%
Benefits	6,502,544	6,898,806	6,872,596	7,794,991	8,367,160	7%
Operating	11,548,020	14,421,402	17,660,974	21,635,328 <sup>2</sup>	26,645,835	23%
Debt - Bonds	4,986,178	4,979,737	7,129,627 <sup>3</sup>	6,961,403	6,936,714	10%
Debt - Lease	1,053,245	1,068,351	1,076,460	1,147,365	1,196,460	3%
	<b>\$54,597,083</b>	<b>\$ 58,807,668</b>	<b>\$ 66,425,640</b>	<b>\$74,501,575</b>	<b>\$83,559,498</b>	<b>11%</b>

<sup>1</sup> Payroll increases are driven by inflation, market adjustments, pay compression, and the addition of new positions

<sup>2</sup> Increases due to repairs and maintenance required to address facility needs.

<sup>3</sup> The change in debt is due to refinancing and includes \$2 million in early defeasance payments for the years 2023 through 2025

# SALARIES & BENEFITS

# SALARIES REVIEW FIVE-YEAR ANALYSIS

	Actuals FY2021	Actuals FY2022	Actuals FY2023	Actuals FY2024	Projected Actual Expenses FY2025	Avg% Change
<b>Expenses</b>						
<b>Salaries-Faculty</b>	\$12,431,349	\$12,320,985	\$ 12,585,630	\$13,006,289	\$ 13,700,931	2%
<b>Salaries-Faculty PT/ Overload</b>	3,739,460	3,651,362	4,119,595	4,018,163	4,286,557	4%
<b>Overtime</b>	107,043	183,073	199,949	225,780	179,721	18%
<b>Stipends<sup>1</sup></b>	424,034	879,776	773,389	1,015,713	1,068,061	33%
<b>Salaries-Administrative Support</b>	7,642,152	9,173,138	9,467,354	10,915,447	12,527,803	13%
<b>PT Salaries-Admin Support</b>	213,945	239,395	95,597	103,064	163,554	5%
<b>Salaries-Classified Staff</b>	3,057,324	3,181,974	3,155,117	3,624,290	3,994,987	7%
<b>PT Salaries-Classified Staff</b>	628,027	909,508	856,681	874,316	938,365	12%
<b>Salaries-Service Staff</b>	2,054,843	2,235,388	2,349,345	2,776,896	3,088,734	11%
<b>PT Salaries-Service Staff</b>	155,480	199,272	171,766	187,930	174,552	4%
<b>Salaries-Student Assistants</b>	53,440	155,933	151,210	214,601	290,067	66%
<b>Total Salaries</b>	<b>\$30,507,096</b>	<b>\$33,129,804</b>	<b>\$ 33,925,633</b>	<b>\$36,962,488</b>	<b>\$ 40,413,331</b>	<b>7%</b>

<sup>1</sup> Stipends reflect market-based adjustments to better align pay for certain faculty positions.

# BENEFITS REVIEW

## FIVE-YEAR ANALYSIS

	Actuals FY2021	Actuals FY2022	Actuals FY2023	Actuals FY2024	Projected Actual Expenses FY2025	Avg% Change
Employer Medicare	\$ 430,195	\$ 465,932	\$ 476,147	\$ 528,714	\$ 565,575	7%
FICA	1,615,822	1,727,192	1,755,803	1,956,337	2,084,235	7%
OBRA Admin Costs	-	6,264	6,439	-	-	0%
Group Insurance-Staff <sup>1</sup>	3,218,015	3,516,655	3,366,792	3,822,190	3,893,573	5%
Workers Compensation	52,433	56,697	41,182	53,162	136,599	42%
Educational Assistance	33,189	18,765	21,000	21,821	31,123	4%
Unemployment Compensation Ins	31,827	17,085	32,277	23,698	25,422	6%
State Retirement Match-Grants	730,575	790,458	890,060	1,050,721	1,240,990	14%
ORP Contributions (1.19%)	313,626	202,894	184,013	207,475	269,256	-1%
Retirement-New Member Surcharge	61,633	76,893	82,463	114,455	101,490	15%
Employee Assistance Plan	15,228	19,971	16,420	16,419	18,898	7%
<b>Total Benefits</b>	<b>\$ 6,502,544</b>	<b>\$ 6,898,806</b>	<b>\$ 6,872,596</b>	<b>\$ 7,794,991</b>	<b>\$ 8,367,160</b>	<b>7%</b>
<b>Total Salaries &amp; Benefits</b>	<b>\$37,009,640</b>	<b>\$40,028,610</b>	<b>\$ 40,798,229</b>	<b>\$44,757,480</b>	<b>\$ 48,780,491</b>	<b>7%</b>

<sup>1</sup> The state controls the costs of the benefits. In FY2026 they are mandating an 8% increase.

# LEE COLLEGE VS TEXAS COMMUNITY COLLEGES

## FULL/PART TIME FACULTY TO ENROLLMENT

Institution	2015		
	Faculty		Student Enrollment
	Full-Time	Part-Time	
Galveston College	56	54	2,070
Brazosport College	95	128	4,221
College of the Mainland	103	149	4,013
Wharton County Junior College	171	134	7,416
Alvin Community College	107	234	5,114
<b>Lee College</b>	<b>175</b>	<b>192</b>	<b>6,202</b>
San Jacinto College	501	938	28,326
Houston Community College	818	1,717	56,522
Lone Star College	901	3,761	70,724

	2020		
	Faculty		Student Enrollment
	Full-Time	Part-Time	
	63	62	2,060
	101	169	3,460
	114	111	4,335
	185	109	6,099
	110	372	5,737
	<b>164</b>	<b>245</b>	<b>4,271</b>
	522	763	31,110
	864	1,800	48,329
	909	2,682	70,109

	2024		
	Faculty		Student Enrollment
	Full-Time	Part-Time	
	60	72	2,119
	100	263	4,100
	110	120	4,961
	159	113	5,687
	118	175	5,830
	<b>163</b>	<b>263</b>	<b>8,327</b>
	490	838	31,494
	854	1,719	49,749
	890	2,821	70,991

# SALARIES & BENEFITS PER STUDENT FY 2024

Institution	Enrollment	Salaries	Total Salaries per Student	Benefits	Total Benefits per Student
Galveston College	2,354	\$ 13,362,182	\$ 5,676	\$ 3,178,483	\$ 1,350
Brazosport College	3,556	\$ 26,396,595	\$ 7,423	\$ 5,639,699	\$ 1,586
College of the Mainland	4,944	\$ 25,752,528	\$ 5,209	\$ 3,663,399	\$ 741
Wharton County Junior College	5,903	\$ 20,653,831	\$ 3,499	\$ 5,452,022	\$ 924
Alvin Community College	7,774	\$ 25,825,142	\$ 3,322	\$ 4,167,892	\$ 536
<b>Lee College</b>	<b>8,167</b>	<b>\$ 36,962,488</b>	<b>\$ 4,526</b>	<b>\$ 7,794,991</b>	<b>\$ 954</b>
San Jacinto College	29,184	\$ 131,470,103	\$ 4,505	\$ 24,803,259	\$ 850
Houston Community College	45,081	\$ 219,678,648	\$ 4,873	\$ 33,618,392	\$ 746
Lone Star College	91,349	\$ 261,912,100	\$ 2,867	\$ 58,730,458	\$ 643

HER OPERATING EXPENDITURES

# OTHER OPERATING EXPENSES – FIVE YEAR ANALYSIS

	Actuals FY2021	Actuals FY2022	Actuals FY2023	Actuals FY2024	Projected Actual Expenses FY2025	Avg% Change
<b>Expenses</b>						
<b>Legal Fees</b>	\$ 113,360	\$ 104,520	\$ 119,965	\$ 125,365	\$ 267,458 <sup>1</sup>	31%
<b>Contract Service</b>	3,491,059	4,774,996	4,804,122	5,503,400	6,262,508	16%
<b>Instruction Contract Service</b>	359,959	430,309	469,960	373,708	429,299	6%
<b>Equipment</b>	429,209	779,818	1,683,115	1,281,984	1,381,535	45%
<b>Insurance</b>	228,344	299,808	336,002	1,435,130 <sup>2</sup>	1,504,020	94%
<b>Other Operating Expense</b>	3,126,127	4,307,552	6,276,885	7,833,502	8,269,454	28%
<b>Repairs/ Maintenance</b>	2,031,856	1,286,513	1,305,400	2,234,508	5,353,172	44%
<b>Travel/ Professional Development</b>	191,093 <sup>3</sup>	697,482	937,551	1,049,302	1,161,179	80%
<b>Utilities</b>	1,577,014	1,740,404	1,727,974	1,798,429	2,017,210	6%
<b>Total Expenses:</b>	<b>\$11,548,020</b>	<b>\$ 14,421,402</b>	<b>\$ 17,660,974</b>	<b>\$21,635,328</b>	<b>\$26,645,835</b>	<b>23%</b>

<sup>1</sup> Expenses increased due to the Barbers Hill contract and employee-related matters; not expected to recur at this level.

<sup>2</sup> In FY24, the increase includes a planned insurance reserve of \$1M and occurs each year thereafter.

<sup>3</sup> Travel costs were unusually low in FY 2021 due to the pandemic and have since returned to pre-COVID levels by FY 2024. The travel costs for FY 2019 was \$1.28M and FY 2020 was \$579K.

# DEBT SERVICE REQUIREMENTS

# DEBT SCHEDULES - BONDS

## (EXCLUDING THE \$2M PAYDOWN)

**General Obligation Bonds Outstanding  
as of 8/31/2025**

Period Ending	Principal	Interest	Debt Service
<b>8/31/2026</b>	<b>135,000</b>	<b>1,199,500</b>	<b>1,334,500</b>
8/31/2027	1,680,000	1,192,750	2,872,750
8/31/2028	1,760,000	1,108,750	2,868,750
8/31/2029	1,850,000	1,020,750	2,870,750
8/31/2030	1,945,000	928,250	2,873,250
8/31/2031	2,040,000	831,000	2,871,000
8/31/2032	2,145,000	729,000	2,874,000
8/31/2033	2,250,000	621,750	2,871,750
8/31/2034	2,365,000	509,250	2,874,250
8/31/2035	2,480,000	391,000	2,871,000
8/31/2036	2,605,000	267,000	2,872,000
8/31/2037	2,735,000	136,750	2,871,750
	<b>\$ 23,990,000</b>	<b>\$ 8,935,750</b>	<b>\$32,925,750</b>

**Revenue Bonds Outstanding as of  
8/31/2025**

Period Ending	Principal	Interest	Debt Service
<b>8/31/2026</b>	<b>1,130,000</b>	<b>429,037</b>	<b>1,559,037</b>
8/31/2027	1,165,000	392,790	1,557,790
8/31/2028	655,000	355,438	1,010,438
8/31/2029	690,000	322,688	1,012,688
8/31/2030	725,000	288,188	1,013,188
8/31/2031	760,000	251,938	1,011,938
8/31/2032	800,000	213,938	1,013,938
8/31/2033	835,000	173,938	1,008,938
8/31/2034	865,000	146,800	1,011,800
8/31/2035	900,000	112,200	1,012,200
8/31/2036	935,000	76,200	1,011,200
8/31/2037	970,000	38,800	1,008,800
	<b>\$10,430,000</b>	<b>\$ 2,801,951</b>	<b>\$13,231,951</b>

\* Continuing to make additional \$2 million principal payments each year, the General Obligation Bonds will be paid off by FY2032, resulting in \$1.9 million in interest savings for the College.

# DEBT - CAPITAL LEASE

JOHNSON CONTROLS, INC. - ENERGY CONSERVATION (DEC 2016)

Payment Date	Total Payment	Interest	Principal
9/23/2025	\$ 301,784	\$ 14,871	\$ 286,912
12/23/2025	301,784	13,284	288,500
3/23/2026	301,784	11,687	290,097
6/23/2026	301,784	10,081	291,702
<b>FY2026 Totals</b>	<b>\$ 1,207,134</b>	<b>\$ 49,923</b>	<b>\$ 1,157,211</b>
9/23/2026	\$ 310,602	\$ 8,467	\$ 302,135
12/23/2026	310,602	6,795	303,807
3/23/2027	310,602	5,113	305,489
6/23/2027	310,602	3,423	307,179
<b>FY2027 Totals</b>	<b>\$ 1,242,408</b>	<b>\$ 23,797</b>	<b>\$ 1,218,611</b>
9/23/2027	\$ 312,944	\$ 1,722	\$ 311,222
<b>FY2028 Totals</b>	<b>\$ 312,944</b>	<b>\$ 1,722</b>	<b>\$ 311,222</b>
<b>Balance as of 8/31/25</b>	<b>\$ 2,762,486</b>	<b>\$ 75,443</b>	<b>\$ 2,687,043</b>

# DEBT BURDEN PER STUDENT FY 2024

Institution	Enrollment	Debt Burden Ratio
Galveston College	2,354	2.60%
Brazosport College	3,556	2.30%
College of the Mainland	4,944	11.60%
Wharton County Junior College	5,903	0.60%
Alvin Community College	7,774	1.30%
Lee College	8,167	2.30%
San Jacinto College	29,184	8.20%
Houston Community College	45,081	2.90%
Lone Star College	91,349	4.30%

A community college's debt burden ratio measures how much of its budget is allocated to debt service (principal and interest payments) compared to its overall expenditures. A lower debt burden ratio indicates that the institution relies less on borrowed funds and has more resources available for other operational needs. Industry standards suggest that a ratio of 7% or less is considered healthy for an institution, according to the National Association of College and University Business Officers (NACUBO).

# SALARIES & BENEFITS BUDGET CHANGE OVERVIEW

Salary & Benefit Increase/ (Decreases)	\$ Amount
➤ COLA Adjustments of 4% and Market Changes	\$ 1,772,882
➤ Group Insurance - 8% mandated increase	\$ 313,704
➤ Vacancy Savings - Increased to 8%	\$ (1,776,754)
➤ Eliminating New Position Contingency	\$ (574,460)
➤ New / Reallocated Positions	\$ 1,094,993 *
➤ Increase in Part-Time Budgets and Benefits	\$ 231,524
<b>Total Salary &amp; Benefits Increase/ (Decreases)</b>	<b>\$ 1,061,889</b>

\* See appendix for list of new positions.

# OPERATING EXPENSES BUDGET CHANGE OVERVIEW

Operating Expense Increases/(Decreases)	\$ Amount
➤ Moved the Repairs & Maint. Projects to Capital Improvement Funds	(\$3,900,000)
➤ Moved IT Equipment Requests to Capital Improvement Funds	(\$547,000)
➤ Eliminated the FAST Contingency Funds	(\$1,000,000)
➤ Reduced Contingency	(\$500,000)
➤ Institutionalized Grant Expenses	\$567,000
➤ New Equipment (Vehicles, Forklift, Utility Vehicles and IT Equip)	\$451,000
➤ New ERP Purchase	\$2,250,000
➤ Miscellaneous Changes	\$2,064,994
Total Other Operating Increases/(Decreases)	<u>(\$614,006)</u>

\* See appendix for list of projects

# DEBT BUDGET CHANGE OVERVIEW

DEBT SERVICE			
Bond Series	FY 2025	FY 2026	Change \$
GO Bonds, 2013	\$ 77,500	\$ -	\$ (77,500)
GO Refunding, 2023	5,336,250	3,334,500	\$ (2,001,750)
Rev Bonds, 2015	827,233	823,599	\$ (3,634)
Rev, Bonds, 2018	731,688	735,438	\$ 3,750
Admin Fees	10,465	10,465	\$ -
	<u>\$ 6,983,136</u>	<u>\$ 4,904,002</u>	<u>\$ (2,079,135)</u>

CAPITAL LEASE - JCI			
	FY 2025	FY 2026	Change \$
Capital Lease Pmt	\$ 1,172,886	\$ 1,207,134	\$ 34,248
	<u>\$ 1,172,886</u>	<u>\$ 1,207,134</u>	<u>\$ 34,248</u>

# CONCLUSION – FY2026 RECOMMENDATION

	FY 2025 Budget	FY 2025 Projected Expenses	Variance	% of Budget	FY 2026 Recommended Expense Budget	Difference FY25 vs FY26
<b>EXPENSES</b>						
Salaries	\$ 41,693,923	\$ 40,413,331	\$ 1,280,592	48%	\$ 42,755,812	\$ 1,061,889
Benefits	8,525,743	8,367,160	158,583	10%	8,549,466	23,723
Operating	30,686,312	27,645,835	3,040,477	33%	30,072,306	(614,006)
Debt - Bonds	6,983,136	6,936,714	46,422	8%	4,904,002	(2,079,134)
Debt - Lease	1,172,886	1,196,460	(23,574)	1%	1,207,134	34,248
<b>Total Expenses</b>	<b>\$ 89,062,000</b>	<b>\$ 84,559,500</b>	<b>\$ 4,502,500</b>	<b>95%</b>	<b>\$ 87,488,720</b>	<b>\$ (1,573,280)</b>

# FY 2026 GRANT BUDGET PROJECTIONS

GRANT	Projected FY2026
<b>Federal Grants:</b>	
HODE2022	\$ 54,000
NSF ITYC-STEM 2028	261,495
Small Business Develop	105,000
Direct Loans 2026	3,419,449
Perkins 2026	687,099
Federal Work Study 2026	248,623
PELL 2026	14,500,000
SEOG 2026	200,000
Ed Opportunity Center	283,663
Title V Pathways	29,156
CCAMPIS	790,005
SAMHSA Suicide Prevention Program	94,275
Student Support Services 2025-2030	271,964
	<b>\$ 20,944,729</b>
<b>State Grants:</b>	
NSRP 2025-2027	\$ 443,262.17
Texas Work Study Mentorship Program	90,870
TEOG	900,000
	<b>\$ 1,434,132</b>

GRANT	Projected FY2026
<b>Private Grants:</b>	
SBDC Program Income	\$ 15,958
CCPIW (Community College Partnership in Workforce)	97,051
Trellis Huntsville Scholarship	718
Powell-Huntsville Scholars	4,075
Educate Texas - WECAN TX	795
Texas Mutual Insurance Grant	246,065
DERF	76,272
ExxonMobil Process Tech 2024	282,421
Chambers - Writing Lab	7,134
Phillips 66	8,095
GTF Pathways from Prison	301,746
Trellis Pathways from Prison	189,625
SRAC	143,982
Covestro-WF Development Program	5,000
Exxon Soft Skills Curriculum Development	47,500
Houston Endowment	135,000
	<b>\$ 1,701,233</b>
<b>Total Federal, State &amp; Private Grants</b>	<b>\$ 24,080,093.51</b>

# BUDGET SURPLUS

What is a BUDGET SURPLUS?

**INFLOWS > OUTFLOWS**

Budget Perspective – Revenues exceed Expenses

What creates a budget surplus?

- Revenues higher than budgeted
- Expenses come in lower than budgeted



# FY 2023-2024 SURPLUS

<b>REVENUES</b>	<b>Budget</b>	<b>Actual</b>	<b>Surplus</b>	<b>%</b>
Tuition & Fees	\$ 16,311,406	\$ 16,129,237	\$ (182,169)	-6%
Property Taxes	40,455,573	41,684,284	1,228,711	41%
State Funding	20,169,021	20,169,021	-	0%
In-Lieu Of Revenues	1,500,000	2,463,886	963,886	32%
Other & Interest Revenues	4,600,000	5,617,904	1,017,904	34%
	<b>\$ 83,036,000</b>	<b>\$ 86,064,332</b>	<b>\$ 3,028,332</b>	
<b>EXPENSES</b>				
Personnel Costs	\$ 46,532,497	\$ 44,757,480	\$ 1,775,017	21%
Contract Services	6,698,749	5,877,108	821,641	10%
Other Oprating Expenses	9,283,823	7,833,502	1,450,321	17%
FAST Exp Set Aside	1,000,000	-	1,000,000	12%
Repairs/Maintenance	4,623,972	2,234,508	2,389,464	28%
Debt (M&O and I&S/Capital Lease)	8,131,051	8,108,767	22,284	0%
Contingency	1,000,000	-	1,000,000	12%
Other Misc Expenses	5,765,908	5,690,210	75,698	1%
	<b>\$ 83,036,000</b>	<b>\$ 74,501,575</b>	<b>\$ 8,534,425</b>	
<b>Total FY 2024 Surplus</b>			<b>\$ 11,562,757</b>	

# FY 2023-2024 SURPLUS - REVENUES

## **Property Taxes:**

The FY 23-24 Budget was adopted using the taxable value of \$19.3B and when the Tax Rate was adopted, the value increased to \$19.9B resulting in approximately \$1.2M in additional revenues.

## **In-Lieu of Revenues:**

Increase in Tax Year 2023 taxable values. The budget has always been budgeted conservatively due to the volatility of the values for these agreements.

## **Other & Interest Revenues:**

Interest revenues increased as a result of higher levels of interest earning investments and a more diversified portfolio.

# FY 2023-2024 SURPLUS - EXPENDITURES

## ❖ PERSONNEL COSTS:

Category of Staff	Budget	Actual	Surplus	% of total
Faculty FT/PT	\$ 16,961,579	\$17,024,452	\$ 693,428	39%
Administrative Support FT/PT	10,951,147	11,018,511	420,937	24%
Classified Staff FT/PT	4,578,452	4,498,606	283,995	16%
Service Staff	3,055,669	2,964,826	227,092	13%
Overtime & Stipends	974,817	1,241,493	(266,676)	-15%
Student Assistants	180,000	214,601	(34,601)	-2%
Benefits	8,245,833	7,794,991	450,842	25%
	<u>\$ 44,947,497</u>	<u>\$44,757,480</u>	<u>\$ 1,775,017</u>	

Vacancy Rate 4%

- 4% Vacancy Rate
- 4% increase was budgeted for all salaries; but some employees were ineligible
- Due to longer periods of time of vacancies
- Delays in hiring

## ❖ CONTRACT SERVICES:

- Surplus was partly due to lower spending on usage-based contracts, which cost less than expected because they are billed based on actual use rather than fixed amounts (\$263K)
- Expenditures came in under budget for the ACCESS Center (Disability Services), Dual Enrollment and Workforce Contract training primarily because the budget is developed based on projected student enrollment. (\$262K)
- There was a budget savings due to not having an election in FY24 (\$140K)
- Services for various contracts such as Johnson Controls, Waste Management and ERP consultants came in under budget. The funds are budgeted to cover any needs that may arise during the year. (\$156K)

# FY 2023-2024 SURPLUS - EXPENDITURES

## ❖ **OTHER OPERATING:**

Expenditures came in under budget for various areas such as Office/Classroom/Copying Supplies, COGS for the Café, Bookstore and Campus Store, Advertising, Library, Banking Services, Tax Appraisal District Fees, Scholarships, and Promotional Items.

## ❖ **FAST FUNDING:**

FAST Funding contingency was put aside to cover any unexpected fallouts of the new FAST program.

## ❖ **REPAIRS & MAINTENANCE:**

Savings were realized due to delayed project implementation and reduced spending.

# FUND BALANCES AND RESERVES

## (LOCAL POLICY, CC-ANNUAL OPERATING BUDGET)

*“The College District shall endeavor to maintain an appropriate level of unrestricted current educational and general fund reserves and not to accumulate an unnecessarily large balance of these funds. Having adequate reserves ensures the working capital needed to provide flexibility in dealing with unforeseen circumstances. The target range for the year-end current unrestricted operating fund balance is a minimum of four months' current operating expenses of the subsequent fiscal year's operating budget and a suggested level of six months' operating expenses.”*

# BOARD RESERVE REQUIREMENT CALCULATION

Board Reserve Requirements					
	FY2020	FY2021	FY2022	FY2023	FY2024
Insurance Reserve	\$ 732,320	\$ 1,033,610	\$ 1,337,203	\$ 1,372,040	\$ 3,067,477
Capital Asset Reserve	\$ 2,031,388	\$ 2,034,513	\$ 1,781,339	\$ 1,850,145	\$ 1,730,813
Board Operating Reserve	\$ 10,024,182	\$ 13,541,533	\$ 20,275,397	\$ 20,492,310	\$ 26,052,257
Total Board Reserve	\$ 12,787,889	\$ 16,609,656	\$ 23,393,939	\$ 23,714,495	\$ 30,850,546

Board Policy states 4 to 6 months of operating expenses

CALCULATION WITHOUT GO DEBT PAYMENTS		
Amount per month	4 months	6 months
\$ 7,012,852	\$ 28,051,407	\$ 42,077,110
Current Board Operating Reserve as of 6.26.25 FY 25	\$ 26,372,539	\$ 26,372,539
Additional Reserves needed to meet policy	\$ (1,678,868)	\$ (15,704,571)

FY 2026 Budget Expense Projections	\$ 87,488,720
FY 2026 GO Debt Payments (-)	(3,334,500)
Total Recommended FY 2026 Budget	<b>\$ 84,154,220</b>
Total Expenditures / 12 months	7,012,851.67
Total Required to Meet 4 Mos Req.	<b>\$ 28,051,407</b>

# ADMINISTRATION REQUESTS FOR SURPLUS

<b>Balance of Surplus Funds (FY24 &amp; FY25)</b>		<b>Amount</b>
Balance of Surplus from FY2024		\$ 11,562,757
Estimated Surplus for FY2025		3,702,500
<b>Total Surplus Funds Available</b>		<b>15,265,257</b>
<b>Projects &amp; One-Time Capital Purchases</b>		
EOC Equipment	\$ 20,000	
Various Emergency Management Projects	\$ 1,000,000	
Various Repairs & Maintenance Projects	\$ 6,526,170	
Flex Classroom	\$ 100,000	
Disaster Recovery Critical Location	\$ 325,000	
Alertus Speakers	\$ 122,000	
Amount to bring Board Reserves up to 4 Mos.	\$ 1,678,000	
<b>Total Projects &amp; One-Time Capital Purchases</b>		<b>\$ 9,771,170</b>
<b>Balance of Surplus Funds After Administration Requests</b>		<b>\$ 5,494,087</b>

THANK YOU

**Questions?**



# APPENDIX

# NEW POSITIONS – FY 2026

Department Name	Position	FY 2026 Projected Budget
Building Maintenance-Campus	Carpenter	58,198
Grounds Maintenance-Campus	Facilities Maintenance Technician	42,619
Learning Frameworks	FT Faculty-Learning Frameworks	62,582
Learning Frameworks	FT Faculty - EDUC 1300 (Huntsville)	70,000
Learning Frameworks	FT Faculty - EDUC 1300 (Huntsville)	70,000
Dual Enrollment	Advisor, Dual Credit	57,592
Physical Science-Campus	FT Faculty - Physics	70,000
Empirical Educator Center	Instructional Designer	83,685
Library	Library Tech.	42,744
English and Humanities - HC/LC	English HCLC	70,000
Welding-Ferguson HC/LC	FT Faculty - Welding	73,598
<b>Total New Positions</b>		<b>\$ 701,019</b>

# REPAIRS & MAINTENANCE PROJECTS– FY 2026

Project	Project Estimated Amount
660 W Texas remodel	\$ 50,000
Arena Catwalk/ light lowering	250,000
Building plumbing/ hot water repair	
Campus wide	250,000
Building/ sidewalk cleaning	100,000
Campus Privacy tint	50,000
Electrical upgrade/ updates	350,000
Elevator Modifications	480,000
Exterior Building name signs	185,000
Exterior building wayfind signage	200,000
External wayfind PAC	116,030
Flooring	150,000
Furniture replacement	850,000
Gray Science hallway paint and carpet	208,798
Huddle renovations	225,000
HVAC install South Plant	115,000
Internal Signage	75,000

Project	Project Estimated Amount
Mohler Hall VAV replace	\$ 126,943
North Plant Generator	200,000
PAC Green room restroom/ shower	75,000
Parking lot re-stripe 1,2,3,4	125,000
Portable Generator	175,000
Raquet Ball courts	75,000
Roof repair replacement	650,000
Science/ South Plant Generator	250,000
Sidewalk repairs	75,000
South Plant cooling tower	498,650
SRAC storefront doors	35,000
Tennis Court Foundation	65,000
TV 5, 6, 7 HVAC install repair	185,000
Water fountain feature	10,000
Misc repairs/ operating funds	1,685,000
<b>Total Projects</b>	<b>\$ 7,885,421</b>

# EMERGENCY MGMT. PROJECTS– FY 2026

Project	Estimated Amount
AED	\$ 28,700.00
First Aid Cabinets	\$ 2,500.00
Centegix Wearable Panic Alarm Cards	\$ 81,000.00
PA Speaker System (Internal Only)	\$ 75,745.20
PA Speaker System (Internal Only)	\$ 60,750.00
License Plate Readers	\$ 38,000.00
Gunshot Detection	\$ 14,800.00
DNA Access Door Locks	\$ 2,398.00
Surveillance System/Cameras	\$ 603,499.95
Surveillance System 3rd Party Cable Pulls	\$ 87,000.00
Surveillance System/Cameras Maintenance Cost after year 1	\$ 65,077.30
Security Glass Film	\$ 30,000.00
Lightening Detector	\$ 4,700.00
<b>Total Emergency Management Projects</b>	<b>\$ 1,094,170.45</b>