

MINUTES OF THE CALLED MEETING  
OF THE BOARD OF REGENTS OF THE DEL MAR COLLEGE DISTRICT

August 15, 2023

The Called Meeting of the Board of Regents of the Del Mar College District convened on Tuesday, August 15, 2023 at 9:00 a.m., at the Center for Economic Development, 3209 S. Staples, Room 106, Corpus Christi, Texas with the following present:

**From the Board:**

Ms. Carol Scott, Dr. Nicholas Adame, Ms. Libby Averyt, Mr. Carl Crull, Mr. Rudy Garza, Jr., and Mr. David Loeb.

**From the College:**

Dr. Mark Escamilla, President and CEO; Ms. Lenora Keas, Executive Vice President and COO; Mr. Raul Garcia, Vice President and CFO; Mr. Ali Kolaoudou, Vice President and Chief Information Officer; Dr. Jonda Halcomb, Vice President and Chief Academic Officer; Ms. Tammy McDonald, Vice President of Administration and Human Resources; Ms. Patricia Benavides-Dominguez, Vice President for Student Affairs; Ms. Cheryl Sanders, Associate Vice President for Student Affairs; Mr. Augustin Rivera, Jr., General Counsel; Mr. John Strybos, Vice President and Chief Physical Facilities Officer; Ms. Mary McQueen, Vice President of Advancement and Government Relations; Ms. Delia Perez, Director of CEO Office and Board Relations, and other staff and faculty.

**CALL TO ORDER/QUORUM CALL**

Chair Scott called the meeting to order with a quorum present. She requested a moment of silence followed by the Pledge of Allegiance and Del Mar College Vision Statement.

**GENERAL PUBLIC COMMENTS:** The public was given the opportunity to provide public comments (both general and specific to any agenda item).

There were no public comments made at this meeting.

**ITEMS OF BUSINESS:**

1. Discussion of the proposed Maintenance & Operations Budget and the Debt Service Budget for Fiscal Year 2023-2024.....Mr. Raul Garcia  
(*Goal 6: Financial Effectiveness and Affordability*)

Dr. Escamilla began by thanking the entire College team that worked throughout the summer to prepare a preliminary budget under the most unusual set of circumstances. Dr. Escamilla introduced Mr. Raul Garcia who provided introductory remarks regarding the budget agenda.

Mr. Garcia introduced Ms. Jackie Landrum who reviewed the budget calendar dates that included future meeting dates, and public hearing notice dates. Ms. Landrum then introduced Mr. John Johnson.

Mr. Johnson provided information regarding the preliminary property tax shortfall valuation change for industrial entities. Two industrial entities were valued by the Appraisal District at around \$1 billion each last year. Values increased to over \$2.5 and \$2.3 billion for each of the industrial entities this year. Increased assessed property values decrease property tax rate, with the anticipation these industrial entities would owe more. Due to the significant increase assessed to those entities, along with the increased amounts assessed throughout the district, the no-new-revenue rate for the maintenance and operations, as calculated, has decreased by 1.6 cents when compared to the prior year. Due to the industrial entities contesting the assessed property values by the appraisal district, funds most likely will not be collected resulting in a shortfall in property tax revenue.

Mr. Johnson reviewed the preliminary revenue challenges and assumptions for the FY 2024 budget which included the \$2 increase in tuition, 4% enrollment growth in the new year, and continuing education growth. On the property tax assumptions, the overall tax rate deduction of 2.5, the overall tax rate deduction is anticipated to be 2.9 cents less. State appropriations increased by \$2.149 million based on the last legislative information. Retirement contributions increased by \$95,000.00, which is a direct result of salary increases. Tuition and fees were reduced by \$1.2 million, and property taxes was reduced by \$488,000.00. The total increase to the 2024 budget is \$524,000.00.

Ms. Landrum provided information regarding the expense budget for 2024. Department managers have been asked to focus on the needs of the students as they make decisions throughout the year and that those decisions support the mission of the college. The College will not have any salary increases, the College will hire strategically, and departments will spend purposefully regarding professional development. The College will reallocate to fund the increased property insurance and the increased cost of internet, networking, and security equipment to support the internet connectivity, along with the continuous improvement of our network infrastructure capacity to ensure stable and continuous services for students, faculty and staff. Total salary and benefits will decrease by \$1.3 million and non-salary will increase by \$1.9 million. These changes give us a total preliminary expense budget of \$115,230,382.00.

Ms. Tammy McDonald discussed the preliminary employee compensation changes to the FY 2024 budget. Ms. McDonald provided information on how the vacancy rate was used to help fund some of the capacity that was needed.

Ms. Landrum provided a detailed line item breakdown of the preliminary budget M&O expense for the FY 2024.

The Regents provided comments of appreciation to the employees for their hard work regarding the preparation of the budget and expressed their disappointment over the property valuation issues.

Mr. Johnson, Ms. Lenora Keas, Ms. Jackie Landrum, Ms. Tammy McDonald, and Dr. Escamilla responded to questions from the Board of Regents.

2. Discussion related to proposed one-time inflation relief payment to employees .....Ms. Tammy McDonald  
*(Goal 6: Financial Effectiveness and Affordability)*

Ms. McDonald provided the Board with information regarding a proposed one-time employee payment as follows: 1) all full-time employees employed on the day of payment distribution receive a one-time payment through payroll of \$1,200 gross (before applicable employee taxes are deducted); and 2) all part-time employees that are active on the day of payment distribution receive a payment through payroll of \$300 gross (before applicable employee taxes are deducted).

The total estimated expense for this proposed estimated one-time inflation relief payment is \$1.1 million with a payment date between mid to late October, 2023. The funding source would be from funding reserves.

Ms. McDonald and Dr. Escamilla responded to questions from the Board of Regents.

3. Discussion and possible action related to the adoption of the Order to Conduct a Public Hearing on 2023-2024 College Budget.....Mr. Raul Garcia  
*(Goal 6: Financial Effectiveness and Affordability)*

Mr. Garcia requested the Board proceed with the next step to comply with the state statute to present the proposed budget to the public.

Regent Adame made a motion to adopt the Order of the Board of Regents regarding the adoption of the budget for the 2023-2024 fiscal year. Regent Crull seconded the motion. There was no further discussion from the Board. No public comment was made. A vote was taken by show of hands and the motion carried unanimously 6-0, with Regents Scott, Adame, Averyt, Crull, Garza, and Loeb in favor.

4. Discussion and possible action to approve implementation of the Financial Aid Swift Transfer program and change in tuition for dual credit students...Ms. Lenora Keas  
(Goal 6: Financial Effectiveness and Affordability)

Dr. Escamilla began with introductory remarks regarding the implementation of the Financial Aid Swift Transfer (FAST), and thanked all of the people involved that helped implement this program.

Ms. Keas provided a history regarding the program and how it relates to House Bill 8. This program provides for state reimbursement through an allotment process that will pay \$55 per semester credit hour instead of the \$33 that the College is presently charging for students who are eligible for the FAST program. It is estimated that presently 69% of students in our area are eligible as educationally disadvantaged or part of the free lunch program, including students who are taking credit and continuing education courses. To be fully competitive and reach all the students in the ISDs and charter schools, as described in the Bill, the College is proposing this to be at no cost to all students.

Ms. Patricia Benavides-Dominguez discussed the proposed dual-credit model which includes maximize House Bill 8 incentive funding; increase dual credit offerings throughout the region; align House Bill 8 College incentive plan with the school districts; streamline student degree plans between school districts and the College; reduction in excessive course work; no cost to dual credit students; provide access to all dual credit eligible students; and increase dual credit tuition to \$55 per semester credit hour for FAST eligible students.

Ms. Keas continued and provided information regarding the estimated FAST funding and stated and introduced Dr. Leonard Rivera to speak on the impact in the area of this program.

Dr. Leonard Rivera provided information regarding the area and number of students and school districts that will be impacted by the FAST program.

Ms. Keas, Dr. Rivera, and Dr. Escamilla responded to questions from the Board of Regents.

Regent        made a motion to grant the College administration authority to work with ISDs to implement the dual credit FAST program, change the tuition from \$33.00 to \$55.00 per SCH to FAST program eligible students, and enter into MOUs with ISDs that provide for no-cost to all other non-

FAST students. Regent Crull seconded the motion. There was some further discussion by some of the Board of Regents. No public comment was made. A vote was taken by show of hands and the motion carried unanimously 6-0, with Regents Scott, Adame, Averyt, Crull, Garza, and Loeb in favor.

At 10:12 a.m., the Chair announced that the Board was going into Closed Session pursuant to:

5. **CLOSED SESSION** pursuant to:

- A. **TEX. GOV'T CODE § 551.071**: (Consultation with legal counsel), regarding pending or contemplated litigation, or a settlement offer, with possible discussion and action in open session; and the seeking of legal advice from counsel on pending legal or contemplated matters or claims, with possible discussion and action in open session.

The Board of Regents reconvened in Open Session at 10:24 a.m., and no action was taken.

**CALENDAR:** Discussion and possible action related to calendaring dates.

**ADJOURNMENT:** The meeting was adjourned at 10:26 a.m.

MINUTES REVIEWED BY GC: /s/ARjr