

August 11, 2023

BOARD OF REGENTS' CALLED MEETING

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

AGENDA

CALL TO ORDER

QUORUM CALL

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

DMC VISION STATEMENT: *Del Mar College will be the premier choice for life-changing educational opportunities, provided by responsive, innovative faculty and staff who empower students to improve local and global communities.*

Del Mar College is streaming live audio and video from the official Board of Regents meetings on the College's website in real-time, with the exception of portions of the meeting considered as "closed session" by statute.

GENERAL PUBLIC COMMENTS (Non-Agenda Items) – 3-minute time limit

- Specific public comments will be allowed on agenda items prior to action by the Board.
- General Public Comments may be moved on the agenda at the discretion of the Board Chair and as an accommodation to those in attendance.
- Pursuant to the Texas Open Meetings Act, the College is limited in responding to public comments or inquiries as follows:
 1. Provide a statement of specific factual information in response to an inquiry.
 2. Recite existing policy in response to an inquiry.
 3. Propose placing the subject of the inquiry on the agenda for a subsequent meeting.

(Tex. Govt. Code Section § 551.042)

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*)

Public comments for this agenda item

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

Public comments for this agenda item

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

Public comments for this agenda item

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

Public comments for this agenda item

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.

CALENDAR: Discussion and possible action related to calendaring dates.

ADJOURNMENT

PUBLIC NOTICE is given that the Board may elect to go into executive session at any time during the meeting in order to discuss matters listed on the agenda, when authorized by the provisions of the Open Meetings Act, Chapter 551, of the Texas Government Code.

Item 1



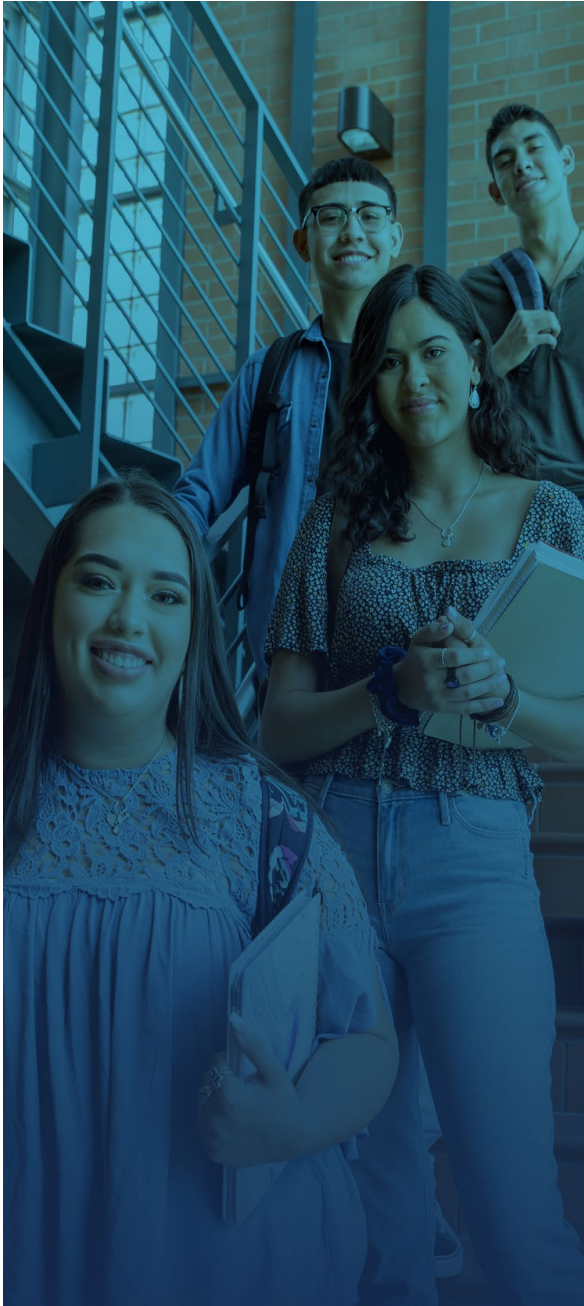
DMC

DEL MAR COLLEGE

**Preliminary Budget
For Fiscal Year 2024**

August 15, 2023

**Raul Garcia
Tammy McDonald
John Johnson
Dr. Cathy West
Jackie Landrum**



Agenda

Budget Calendar

Property Tax Impact

Operating Revenue Budget

Operating Expense Budget

Questions ????

FY 2024 Budget Plan Calendar

	Budget:	Tax Rate:
Board Meeting-Update	Tuesday, Aug. 15	Tuesday, Aug. 29
Board Meeting to adopt action item to conduct hearing	Tuesday, Aug. 15	Tuesday, Aug. 29
Public Hearing Notice-Website & Newspaper	Saturday, Aug. 19th	Sunday, Sept. 3
Public Hearing & Adoption	Tuesday, Aug. 29	Tuesday, Sept. 12

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 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.



Preliminary Property Tax Shortfall Industrial Entities Property Valuations

Entity	Appraisal District Current Taxable Value*	Entity Taxable Proposed Value as of 8/10/23	Variance
Entity 1	\$ 2,500,000,000	\$ 1,403,886,910	\$ (1,096,113,090)
Entity 2	2,300,000,000	1,159,777,143	(1,140,222,857)
Total	\$ 4,800,000,000	\$ 2,563,664,053	\$ (2,236,335,947)

*Initial property values corrected by Chief Appraiser

Preliminary Property Tax Shortfall Impact Summary on Budget FY 2024

Description	<u>O & M</u>	<u>Debt Service</u>	<u>Total</u>
Assessed Property Value Change-Property Tax Revenue Impact	\$ (4,012,796)	\$ -	\$ (4,012,796)
Anticipated Property Tax Revenue (before assessed property value change)	3,525,159		3,525,159
Total Property Taxes-Unfunded	\$ (487,637)	\$ -	\$ (487,637)

Preliminary Revenue Challenges & Assumptions Budget FY 2024

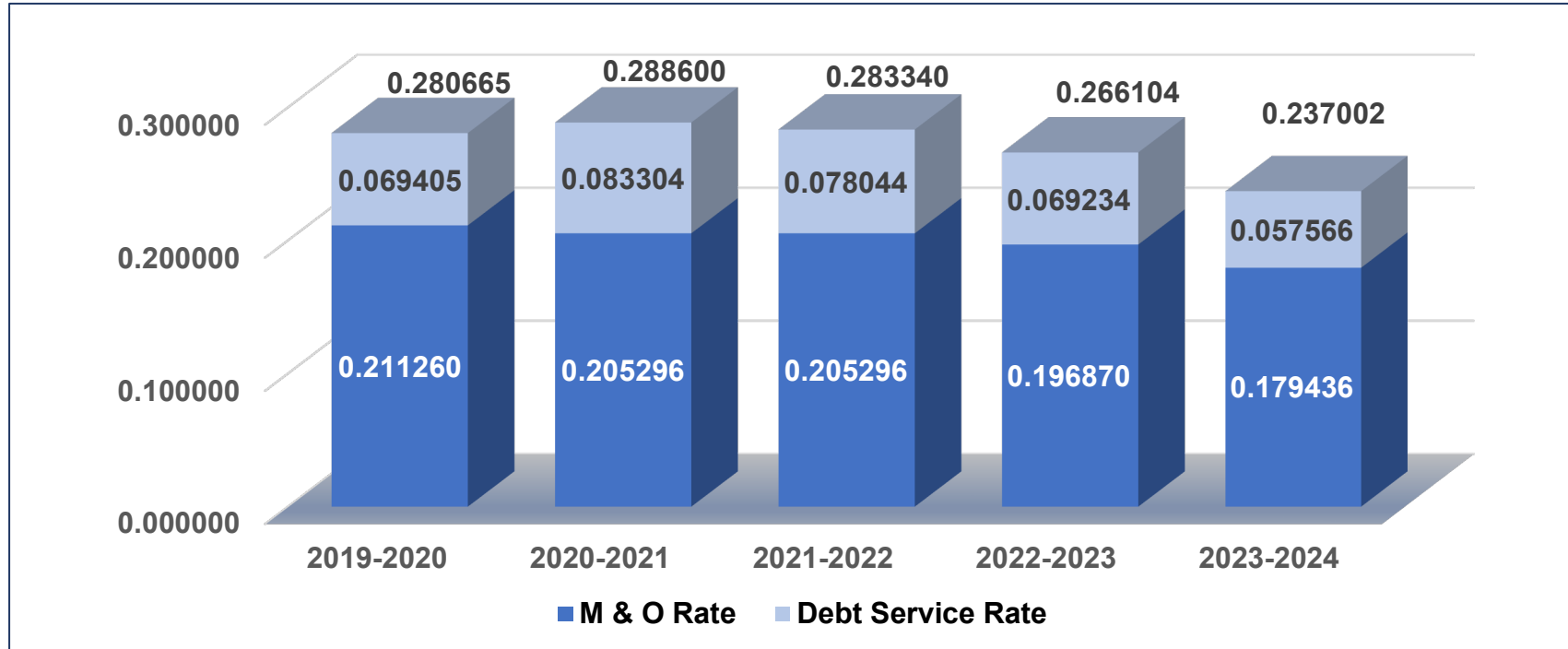


- **Tuition & Fees:**
 - \$2 in-district tuition rate increase
 - Tuition adjusted to reflect amount received in prior year
 - 4% Enrollment growth
- **Property Tax:**
 - Overall tax rate reduction of \$2.9 cents
 - Assumes a 17.5% net valuation growth
 - \$649M in new construction
 - Assumes a potential property tax shortfall on industrial entities due to contested valuations of \$4.0m.
 - Anticipated tax revenue increase prior to assessed property value change of \$3.5M
- **State Appropriations:**
 - \$2.1 million increase for FY 2024

Preliminary Revenue Budget FY 2024

Description	Budget FY 2023	Increase/ (Decrease)	Budget FY 2024
State Appropriations	\$ 17,359,105	2,149,041	\$ 19,508,146
Insurance Contribution	4,281,371	-	4,281,371
Retirement Contribution	1,871,176	95,535	1,966,711
Total State Funding	23,511,652	2,244,576	25,756,228
Tuition & Fees	24,375,829	(1,232,625)	23,143,204
Property Taxes	65,556,443	(487,637)	65,068,806
Miscellaneous	1,262,144	-	1,262,144
Total Preliminary Revenues	\$ 114,706,068	\$ 524,314	\$ 115,230,382

Preliminary Property Tax Rate & History



	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Annual Homeowner Property Tax	\$ 511	\$ 526	\$ 516	\$ 534	\$ 532
* Based on 2023 Average Taxable Homestead Value of \$224,353					

Preliminary Property Tax Shortfall Strategies to Maintain Budget FY 2024

- **Strategic strategies to maintain budget:**
 - **Strategic Spending**
 - Strategic hiring
 - No Salary increases
 - Non-salary expenses-such as travel, professional development, etc.
 - **Strategic Reallocation of Resources**
 - Increased Insurance
 - Computer, Software, Hardware, License & Service
 - Security & Safety
 - Maintenance & Repairs
 - Ground Maintenance



Preliminary Non-Salary Expense Increases Budget FY 2024

Strategic Resource Allocation to fund increased mandatory expenses- \$1.9M

- Computer Hardware & Software
- Property Insurance
- Security & Safety
- Maintenance & Repairs
- Ground Maintenance

Preliminary Expense Budget FY 2024

Description	Budget FY 2023	Increase/ (Decrease)	Preliminary Budget FY 2024
Faculty Salaries	\$ 33,467,687	105,778	\$ 33,573,465
Exempt Salaries	14,351,017	(352,369)	13,998,648
Exempt Salaries - Instructional	3,027,655	(41,336)	2,986,319
Non-Exempt Salaries	11,611,590	(1,115,481)	10,496,109
Non-Exempt Salaries - Instructional	2,312,891	353,396	2,666,287
Benefits	20,629,511	(334,427)	20,295,084
Total Salaries & Benefits	85,400,351	(1,384,439)	84,015,912
Non-Salary Expenses	27,585,126	1,900,888	29,486,014
Contingency	1,720,591	7,865	1,728,456
Total Non-Salary Expenses	29,305,717	1,908,753	31,214,470
Total Preliminary Expenses	\$ 114,706,068	\$ 524,314	\$ 115,230,382

Preliminary Employee Compensation Changes Budget FY 2024

<u>Employee Type</u>	<u>New Positions</u>	<u>Employee Turnover</u>	<u>Part-Time Salary</u>	<u>Raises</u>	<u>Vacancy Rate</u>	<u>Total</u>
Faculty Salaries	\$ 108,078	\$ (33,487)	\$ (8,412)	\$ -	\$ 39,599	\$ 105,778
Exempt Salaries	62,600	170,049	-	-	(585,018)	(352,369)
Exempt Salaries - Instructional	-	(28,944)	-	-	(12,392)	(41,336)
Non-Exempt Salaries	88,650	(170,353)	(87,830)	-	(945,948)	(1,115,481)
Non-Exempt Salaries -Instructio	-	(38,861)	404,216	-	(11,959)	353,396
Total Salaries	259,328	(101,596)	307,974	-	(1,515,718)	(1,050,012)
Benefits	82,985	(32,511)	98,552	-	(483,453)	(334,427)
	\$ 342,313	\$ (134,107)	\$ 406,526	\$ -	\$ (1,999,171)	\$ (1,384,439)

Preliminary Budget M & O Expense Detail FY 2024

Description	Budget FY 2023	Increase/ (Decrease)	Preliminary Budget FY 2024	% Change
Salaries & Benefits				
Faculty Salaries	\$ 33,467,687	105,778	\$ 33,573,465	0%
Exempt Salaries	14,351,017	(352,369)	13,998,648	-2%
Exempt Salaries - Instructional	3,027,655	(41,336)	2,986,319	-1%
Non-Exempt Salaries	11,611,590	(1,115,481)	10,496,109	-10%
Non-Exempt Salaries - Instructional	2,312,891	353,396	2,666,287	15%
Benefits	20,629,511	(334,427)	20,295,084	-2%
Total Salaries & Benefits	85,400,351	(1,384,439)	84,015,912	-2%
Non-Salary Expenses:				
Contract Instruction	151,600	7,000	158,600	5%
Supplies, Postage, Dupl, Copier Rental	3,443,888	53,653	3,497,541	2%
Maintenance & Repairs	1,595,040	152,499	1,747,539	10%
Equipment	1,074,025	(297,326)	776,699	-28%
Student Recruiting & Marketing	1,060,908	78,661	1,139,569	7%
Audit & Legal, Tax Appraisal, Coll Fees	1,626,295	6,811	1,633,106	0%
Consultants & Contract Labor	3,276,496	(212,002)	3,064,494	-6%
Accreditation	75,047	(9,411)	65,636	-13%
Special Pop Interpretor	114,397	-	114,397	0%
Comp Software, Hardware, License & Serv	2,694,283	918,250	3,612,533	34%
Travel & Professional Development	536,923	(37,408)	499,515	-7%

Preliminary Budget M & O Expense Detail FY 2024

Description	Budget FY 2023	Increase/ (Decrease)	Preliminary Budget FY 2024	% Change
Non-Salary Expenses - Continued				
Election	190,000	(190,000)	-	-
Security	1,515,000	50,000	1,565,000	3%
Recruitment	32,000	-	32,000	0%
Food Beverage	89,301	(4,490)	84,811	-5%
Library	269,476	(18,500)	250,976	-7%
Bad Debt	151,707	-	151,707	0%
Membership & Dues	250,970	(23,687)	227,283	-9%
Utilities & Telephone	2,825,447	236,153	3,061,600	8%
Insurance	3,724,250	1,080,750	4,805,000	29%
Bank & Collection Fees	192,800	(500)	192,300	0%
Campus Police	302,858	-	302,858	0%
Tuition Bond Transfers Out	1,955,500	(3,000)	1,952,500	0%
Miscellaneous	436,915	113,435	550,350	26%
Total Non-Salary	27,585,126	1,900,888	29,486,014	7%
Contingency	1,720,591	7,865	1,728,456	0%
Total Preliminary Expenses	\$ 114,706,068	\$ 524,314	\$ 115,230,382	0%

Thank you!



Item 2

Proposed One-Time Inflation Relief Payment to Employees

Board of Regents Called Meeting
August 15, 2023

Tammy McDonald
Vice President, Administration & HR



DEL MAR COLLEGE

Proposed One-Time Employee Payment

- **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)**
- **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)**

Proposed One-Time Employee Payment

Estimate - Snapshot on August 10th

• full-time		
○ 775 x 1,200		\$ 930,000
• part-time with current active status		
○ 476 x 300		\$ 142,800
Total		\$ 1, 072,800
Employer payroll taxes		107,280
Grand Total Estimated Expense		\$ 1,180,080

Proposed payment date between mid to late October 2023

Proposed One-Time Employee Payment Funding Source Recommendation


**As allowed under DMC Policy B4.1.1 Financial
Reserves, section (a):**

- **Administration is recommending the Board of Regents consider using the FY23 Budget Contingency line item of \$1,720,591 to fund this expense.**

Thank you



Item 3

TO: MARK ESCAMILLA, Pd.D., PRESIDENT OF COLLEGE
FROM: RAUL GARCIA, VP & CFO 
DATE: AUGUST 15, 2023
RE: BOARD AGENDA: PUBLIC HEARING ON 2023-2024 COLLEGE BUDGET

The Texas Code requires that the College conduct a Public Hearing on the proposed College budget and provide notice to the general public at least seven (10) days prior to the scheduled hearing date. The college has proposed to conduct a Public Hearing on the 2023-2024 Budget on Tuesday, August 29, 2023, at 11:30am at the Center for Economic Development, Del Mar College, 3209 S. Staples, Room 106, Corpus Christi, Texas.

The college staff have prepared a balanced budget proposal for the 2023-2024 fiscal year based on total revenues of \$115,230,382.

Action item: Discussion and possible action related to the adoptions of the Order to conduct Public Hearing on the 2023-2024 College Budget.

ORDER OF THE BOARD OF REGENTS
OF THE
DEL MAR COLLEGE DISTRICT

BUDGET
2023-2024

BE IT ORDERED, by the Board of Regents of the Del Mar College District that, for the purpose of adoption of a budget for the 2023-2024 fiscal year, the Board schedule and conduct a meeting and public hearing on Tuesday, August 29, 2023, at 11:30 a.m., at the Center for Economic Development, Del Mar College, 3209 S. Staples, Room 106, Corpus Christi, Texas.

BE IT FURTHER ORDERED, that proper publication and notice of such meetings and public hearings be given as required by law.

The foregoing Order was duly offered by _____ seconded by _____, and after discussion, was adopted by the Board of Regents of the Del Mar College District at the meeting duly called and held in Corpus Christi, Texas, on August 15, 2023, at which _____ members were present, by the following vote:

For the proposal: _____

Against the proposal: _____

Present and not voting: _____

Absent: _____

Carol A. Scott, Chair
Board of Regents
Del Mar College District

ATTEST:

Rudy Garza, Jr., Secretary

(Seal)

Item 4



DATE: August 13, 2023

TO: Del Mar College Board of Regents

Dr. Mark Escamilla
President and CEO

FROM: Lenora Keas 
Executive Vice President and Chief Operating Officer

REF: Discussion and possible action to approve implementation of the Financial Aid for Swift Transfer, (FAST) program and revised model for dual credit eligible students.

SUMMARY:

The College is working with approximately 41 area Independent School Districts (ISD) to implement the House Bill 8 provisions over the next few months as the rules become finalized. A key benefit to students under Subchapter A, Section 28.0095, Chapter 28, Education Code, establishes the Financial Aid for Swift Transfer (FAST) program under House Bill 8 to provide prescribed dual credit courses at no cost to educationally disadvantaged students enrolled in a public or charter high school. **The intention is to provide at no cost to all students taking dual credit courses under House Bill 8, and especially students of the highest need, access to college credit and continuing education courses.**

Qualifying students must be a High School student enrolled at a public or charter school in an eligible dual credit course and meet other criteria such as be educationally disadvantaged (i.e., qualified for free/reduced lunch) at any time during the four years preceding the student's enrollment in the dual credit course. Additionally, students cannot be charged for any related dual credit course textbooks, supplies, uniforms, testing, and other associated course costs.

Courses that qualify must satisfy at least one of the following criteria: be a requirement to obtain an associates degree or an industry recognized credential or certificate; a foreign language requirement; a core curriculum requirement; or a field of study requirement.

Presently, all dual credit students who are enrolled in credit courses are charged tuition at \$33.00 per semester credit hour (SCH) and continuing education courses are charged at varying amounts depending upon the type of program. Implementing the changes under House Bill 8 and the FAST program will provide state funding at \$55.00 per SCH for eligible students. All other students at participating ISDs and charter schools will be at no cost.

The College will work with ISDs and charter schools to implement all aspects of the enhanced dual credit model to include a more intentional degree plan or course inventory, advising, and a financial incentive that aligns with the new funding structure for the College. Cost of textbooks, supplies and other student fees will be addressed in the MOU and not paid by students.

STAFF RECOMMENDATION:

It is recommended that the Board grant the College Administration authority to work with ISDs and charter schools to implement the dual credit FAST program, change the tuition from \$33.00 to the allotment of \$55.00 per SCH to FAST program eligible students, and enter into MOUs with ISDs and charter schools that provide for no cost to all other non-FAST students.

DOCUMENTATION:

PowerPoint

Del Mar College Board of Regents House Bill 8-FAST Program for Dual Credit

Lenora Keas
Executive Vice President & COO

Patricia Benavides-Dominguez
Vice President Student Affairs

Dr Leonard Rivera
Associate Vice President Continuing Education and Off Campus Programs

August 15, 2023



DEL MAR COLLEGE

Proposed Semester Credit Hour (SCH) Rate Dual Credit Students

- Rationale for House Bill 8
- State funding for educationally disadvantaged students enrolled in dual credit courses
- Pending state final rule making (September 2023)
- FAST Definition – Financial Aid for Swift Transfer
- No cost to non-qualifying FAST dual credit Students
- Other funding options for remaining dual credit students (TPEG, etc.)
- Change the Dual Credit Tuition for FAST eligible students to no cost and receive the allotment as set at \$55.00 per SCH.

Proposed Dual Credit Model

- Maximize HB 8 incentive funding (17 Metrics) for DMC
- Increase dual credit offerings throughout the region
- Align HB 8 and DMC incentive plan (17 Metrics) with ISDs and charter schools
- Streamline student degree plans between ISDs, charter schools and DMC
- Reduction in excessive course work for students
- No cost to **all** HB 8 dual credit students
- Provide access to **all** HB 8 dual credit eligible students

Dual Credit Semester Credit Hours (SCH)

Summer 2022 through Spring 2023

Total Academic SCH

32,942

Estimated FAST Funding

Academic SCH-FAST Eligible (69% economically disadvantaged)	\$ 22,730
SCH Rate	55
Total Estimated FAST Funding	\$1,250,149

Estimated Funding Difference

Dual Credit Revenue Collected (All Academic SCH)	\$1,096,309
Estimated FAST Funding	1,250,149
Difference between FAST Funding and Actual Revenue Collected	\$153,840

Staff Recommendation

It is recommended that the Board grant the College Administration authority to work with ISDs and charter schools to implement the dual credit FAST program under House Bill 8,

- change the tuition from \$33.00 to the allotment of \$55.00 per SCH to FAST program eligible students,
- and enter into MOUs with participating ISDs and charter schools that provide for no cost to all other non-FAST students including those in credit and continuing education programs.

Thank you!