MINUTES OF THE CALLED MEETING

DEL MAR COLLEGE DISTRICT

July 28, 2026

The Called Meeting of the Board of Regents of the Del Mar College District convened on Tuesday, July 28, 2026, at 11:30 a.m., at the Center for Economic Development, 3209 S. Staples, Room 106, Corpus Christi, Texas with the following present:

FROM THE BOARD

Present: Chair Carol Scott, Ms. Libby Averyt, Dr. Nicholas Adame, Dr. Anantha Babbili, Mr. Carl Crull, Mr. Rudy Garza, Jr., Mr. Bill Kelly, Mr. David Loeb, and Dr. Laurie Turner.

FROM THE COLLEGE

Dr. Mark Escamilla, President and CEO; Dr. Gerald Napoles, Executive Vice President and COO; Mr. Raul Garcia, Vice President and CFO; Mr. Ali Kolahdouz, 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; Dr. Patricia Benavides-Dominguez, Vice President for Student Affairs; Mr. Augustin Rivera, Jr., General Counsel; Mr. Matthew Busby, Vice President of Development and Donor Advising; Mr. Jeff Olsen, Chief of Staff and Vice President of Communication and Marketing; Dr. Leonard Rivera, Vice President of Dual Enrollment and Continuing Education; Ms. Delia Perez, Director of CEO Office and Board Relations, Mr. Conrado Garcia, Superintendent in Residence, 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.

ITEMS OF BUSINESS:

1. Discussion of the proposed Maintenance & Operations Budget and the Debt Service Budget for Fiscal Year 2026-2027

Presented by: Dr. Gerald Napoles

(II: Elevate, Goal 2: Maximize resources entrusted to the College)

Dr. Mark Escamilla provided introductory remarks and thanked the College staff and faculty for their participation in preparing the budget presentation. Dr. Escamilla introduced Dr. Gerald Napoles who provided an overview of the presentation.

The presentation provided information regarding the Fiscal Year 2026-2027 unexpected state funding shortfall of $3.5 million reduction due to community colleges overperforming funding projections, changes to the state's HB 8 performance funding methodology, statewide 6.5% reduction in performance funding allocations, and new limitations on which student outcomes qualify for funding.

It was emphasized that the budget is being built conservatively and is not assuming any future reimbursement from the State Legislature, though discussions are underway regarding possible supplemental appropriations.

The preliminary Fiscal Year Budget totals approximately $136 million which includes State appropriations of $25 million, tuition and fees of $21.9 million, property taxes of $86.3 million and miscellaneous revenue of $2.6 million. The challenges for the budget include no tuition increase per the Texas Governor's request, property valuations declined 0.68% because of HB 9 business property tax exemptions, and state performance funding dropping from $19.2 million to $15.7 million

Changes to State performance funding concerns discussed include a 6.5% reduction in funding statewide which lowers the weighted assigned priority for disadvantaged student populations, elimination of funding for certain third-party credentials, and broad associate degree categories (including programs such as psychology, drama, biology, journalism, agriculture, cosmetology, and culinary-related areas) becoming non-fundable.

Ms. Landrum provided an update of the Freedom to Dream Program update and stated that the Summer 2026 projections indicate 55 Freedom-to-Dream students may graduate or complete credentials. The potential performance-funding reimbursement is approximately $230,000. The long-term forecast for the Freedom to Dream Program projects the program will generate a positive net financial return over a multi-year period, with an estimated $3.1 million cumulative gain through FY 2029. No decision has yet been made regarding the future Freedom to Dream 3.0 expansion.

Dr. Benavides-Dominguez discussed student enrollment growth that remains strong and continues to rebound with a Fall 2025 headcount of 12,098 students, an increase of 14.6% over the prior year. For the Spring enrollment headcount of 11,252 students, an increase of 10.5% over the prior year. Instructional contact hours increased nearly 10%, reaching one of the highest levels in the College's recent history. Full-time student persistence improved Fall to Fall by increasing 55.9% and Spring to Spring rose to 52.7%.

Mr. Garcia provided responses to several questions raised regarding the evaluation of the Freedom to Dream initiative. Mr. Garcia reported that the Freedom to Dream initiative builds upon the prior investment by incorporating an incremental financial framework that evaluates environmental growth, utilization of existing capacity, and long-term sustainability.

The presentation provided information regarding Dual Credit growth which has expanded to new districts including Hebbronville ISD, Orange Grove ISD, and San Diego ISD. Raymondville ISD has reached out to the College and requested dual credit prep opportunity information. The

College currently serves approximately 57 school districts and more than 60 high schools. Many districts are approaching Del Mar College because of its reputation and program quality.

Ms. Landrum announced the Aransas County Workforce Development Center is nearing completion. The building is expected to reach substantial completion by September 15, 2026, with workforce and continuing education courses are already being planned and credit courses expected to open shortly thereafter.

Discussion was held regarding proposed budget balancing strategies to offset the $3.5 million state funding loss. Adjustments included reducing equipment budget by $650,000, and scaling maintenance tax note projects from $80 million to $43.8 million. Where possible, cuts to student services and personnel would try to be avoided.

To optimize the Viking student experience, several capital projects were discussed including the 2027 Oso Creek reclaimed water project, Windward campus demolition project, water well improvements, security camera upgrades, fire and safety upgrades, and CDL training pad expansion. Funding would come from existing reserves and plant funds rather than operating funds.

Ms. Tammy McDonald discussed investing in our faculty and staff regarding salaries. She provided different options for salary increases for faculty, exempt staff, non-exempt staff, and eligible part-time employees. Offered the proposal for a 3% increase for exempt employees and non-exempt employees. The increase does not include work study or student assistants. She discussed the current cost of living and health insurance for family coverage as the reason for wanting to stay with Option 3 in the presentation. Dr. Escamilla provided additional comments regarding better equity to pay for faculty. The total salary and benefits proposed is $3.1 million. Ms. Landrum reviewed the non-salary expenses being looked at to be reduced by $1.2 million and with our contingency, the proposed expense budget is budget is $136 million.

Ms. Jackie Landrum, Dr. Patricia Benavides-Dominguez, Dr. Cathy West, Ms. Tammy McDonald, Mr. Raul Garcia, Dr. Leonard Rivera, and Dr. Gerald Napoles participated in the presentation and responded to questions from the Board.

At 1:36 p.m., the Chair announced the Board was going into Closed Session.

2. 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; and,

b. **TEX. GOV'T CODE§ 551.074(a)(l)**: (Personnel matters), regarding the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee, including Evaluation of College President and President's Contract.

The Board reconvened Open Session at 2:26 p.m. with the following action:

Regent Averyt made the following motion: Based on the Board's evaluation of the College President for Fiscal Year '25/'26, move that the Board of Regents issue a positive evaluation for Dr. Escamilla. Regent Loeb seconded the motion. The Board thanked Dr. Escamilla's level of leadership, for his team, and his responsiveness to opportunities for the College. There were no public comments. A vote was taken by show of hands, and the motion carried unanimously 9-0, amongst Regents present, with Regents Scott, Adame, Averyt, Babbili, Crull, Garza, Kelly, Loeb, and Turner in favor.

CALENDER: Discussion was held related to future calendaring dates.

Dr. Escamilla presented Chair Scott with a declaration plaque from Texas Association of Community Colleges for her work, on behalf of the College, on the House Bill 8 Committee. Chair Scott provided words of gratitude.

ADJOURNMENT: The meeting was adjourned at 2:32 p.m.

MINUTES REVIEWED BY GC: /s/ARjr