



Linking Education & Community

BRAZOSPORT COLLEGE

Board of Regents

AGENDA

Public Hearing

August 10, 2009

BRAZOSPORT COLLEGE

Notice is hereby given that on the 10th day of August, 2009, a Public Hearing is scheduled at 5:30 p.m., in Room 104 in the Brazosport College Corporate Learning Center, located in Lake Jackson, Texas. The subjects to be discussed are listed on the agenda, which is attached to and made a part of this notice.

If, during the course of the meeting covered by this notice, the Board should determine that a closed or executive meeting or session of the Board should be held or is required, in relation to any item included in this notice then such closed or executive meeting or session as authorized by Section 551.001 et seq. of the Texas Government Code (the Open Meetings Act) will be held by the Board at the date, hour, and place given in this notice or as soon after the commencement of the meeting covered by this notice as the Board may conveniently meet in such closed or executive meeting or session concerning any and all subjects and for any and all purposes permitted by Sections 551.071-551.086, inclusive, of the Open Meetings Act, including, but not limited to:

- | | |
|-----------------|---|
| Section 551.071 | For the purpose of a private consultation with the Board's attorney on any or all subjects or matters authorized by law. |
| Section 551.072 | For the purpose of discussing the purchase, exchange, lease or value of real property. |
| Section 551.073 | For the purpose of considering a negotiated contract for a prospective gift or donation. |
| Section 551.074 | For the purpose of considering the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee or to hear complaints or charges against a public officer or employee. |
| Section 551.076 | To consider the deployment, or specific occasions for implementation, of security personnel or devices; or a security audit.. |
| Section 551.082 | For the purpose of considering discipline of a public school student or to hear a complaint by an employee against another employee if the complaint or charge results in a need for a hearing. |
| Section 551.083 | For the purpose of considering the standards, guidelines, terms, or conditions the Board will follow, or instruct its representatives to follow, in consultation with representatives of employee groups in connection with consultation agreements provided for by Section 13.901 of the Texas Education Code. |
| Section 551.084 | For the purpose of excluding any witness or witnesses from a hearing during examination of another witness. |
| Section 551.086 | For the purpose of discussing economic development negotiations, or the offer of financial or other incentives. |

Should any final action, final decision, or final vote be required in the opinion of the Board with regard to any matter considered in such closed or executive meeting or session, then such final action, final decision, or final vote shall be at either:

- (a) the open meeting covered by this notice upon the reconvening of this public meeting, or
- (b) at a subsequent public meeting of the Board upon notice thereof as the Board shall determine.

Individuals with disabilities are entitled to have access to and participate in public meetings. An individual requiring an accommodation for access to the meeting must notify the Brazosport College District by informing the Dean, Human Resources and Payroll, the District's ADA Coordinator, in writing 24 hours prior to the scheduled meeting of the necessity of an accommodation. Upon receipt of this request, the District will furnish appropriate auxiliary aids and services when necessary to afford an individual with a disability an equal opportunity to participate in and enjoy the benefits of the Board meeting nondisabled individuals enjoy.

CERTIFICATE AS TO POSTING OR GIVING OF NOTICE

On this 6th day of August, 2009, at 12:00 Noon, this notice was posted on a bulletin board located at a place convenient to the public in the central administrative office of the Brazosport College District, 500 College Drive, Lake Jackson, Texas, and readily accessible to the general public at all times.


Secretary, Board of Regents

Mission Statement

Brazosport College exists to improve quality of life by providing associate and baccalaureate degree programs, academic transfer programs, job-skills training, and cultural enrichment in an efficient and cost-effective manner. The board, faculty and staff are committed to student success by responding to student needs, creating a dynamic learning environment, exceeding expectations, and enriching our community.

Brazosport
August 6, 2009

Board of Regents
Brazosport College

Members of the Board:

A special meeting of the Brazosport College Board of Regents, to conduct a Public Hearing on the 2009-2010 Budget, is scheduled for Monday, August 10, 2009, at 5:30 p.m., in Room 104, in the Brazosport College Corporate Learning Center, located in Lake Jackson, Texas.

The agenda is as follows:

1. Roll Call
2. Open Public Hearing on 2009-2010 Budget.
3. New Business
 - a. Discussion of 2009-2010 Budget. On Page 1 are comments from President Valek about the 2009-2010 Budget. Pages 2 through 7 contain the budget summary and relative supporting information. No action is anticipated at this meeting.
 - b. Discussion of Proposed Tax Rate. On Page 8 is an analysis of the calculation of the proposed tax rate utilized in preparing the 2009-2010 Budget. No action is anticipated at this meeting.
4. Close Public Hearing on 2009-2010 Budget.
5. Announcements. A public hearing for the purpose of considering the tax rate is scheduled for Monday, August 24, 2009, at 5:30 p.m., in Room 104, in the Brazosport College Corporate Learning Center, located in Lake Jackson, Texas.

Should additional information or explanations be desired, please contact me.

Sincerely,



Millicent M. Valek
President

:sdg

August 10, 2009

Dear Board Members,

The budget presented for discussion is one that “stays the course.” That is, it carries out the goals contained in Vision 2015, the College Master Plan, and Board Policies including the following:

- Develop strategies to implement student success goals, including Achieving the Dream goals designed to improve student success in transitional education courses
- Identify additional financial aid resources for students
- Design and begin construction of Sadler Complex and Dow Academic Center
- Implement second year of the Associates Degree in Nursing Program
- Maintain a competitive compensation system to recruit and retain qualified faculty and staff
- Provide a minimal level of investment in the Technology Plan to offset previously deferred technology upgrades
- Reduce the amount of carry forward used to fund the annual college budget
- Maintain the ratio of unrestricted net assets to operational budget that is within the target range established by the Board

The proposed M&O Budget cost was developed with cost cutting measures in both salary and non-salary items, cost containment initiatives, extensive leveraging of existing resources, assuming level funding from state appropriations, assuming level revenue generation from local taxes, and assuming increased revenue from student tuition based on Spring 2009 rates.

Since the I & S Budget was determined by prior Board action and committed to through the Bond Referendum, considerations the Board may want to discuss should primarily be focused on the M&O Budget. With that being said, there is very little flexibility in the proposed M&O Budget absent changes to Board adopted plans or directives.

Information in this supplement is presented as background for the budget discussion. Staff will be prepared to answer specific questions and I am also available to take questions prior to Monday’s meeting. This is especially helpful if you feel that the questions you have, might take some additional research on our part.

Sincerely,



Millicent Valek
President

Proposed Budget Summary 2009-2010 Brazosport College

	Proposed Budget 2009-10	Official Budget 2008-09	Difference
<u>Revenue</u>			
State Sources	5,850,650	5,897,143	(46,493)
Property Tax Estimate ¹	11,340,040	10,831,095	508,945
Tuition & Fees ²	8,388,609	8,121,942	266,667
Auxiliary Enterprises	143,000	143,000	-
Other Local Sources	1,087,593	1,220,593	(133,000)
Prior Year Funds	900,000	1,100,000	(200,000)
Total Revenue	27,709,892	27,313,773	396,119
<u>Expenses</u>			
Salary Expense ³	15,273,577	14,619,665	653,912
Non-Salary Expense	12,436,315	12,694,108	(257,793)
Total Expense	27,709,892	27,313,773	396,119
Revenue over (under) expense	0	0	0

¹ The certified taxable values were \$6,457,127,185 or \$668 million less than last year and 14.5¢ per \$100 valuation for M& O and 3.0754¢ per \$100 valuation for I & S were utilized. Detail on effective tax rate is attached.

² Based on current tuition rate, which was increased starting spring 2009. Level enrollment is assumed.

³ Includes salary structure adjustment and a step recommendation for employees.

Compensation System Overview

Compensation System Background

In 1999, the Board of Regents adopted the compensation system as designed by Fox Lawson & Associates. It is a market driven system based on surveying primarily Gulf Coast Colleges and employers in southern Brazoria County. Surveys for full-time employees are conducted bi-annually and for adjunct instructors ⁽¹⁾ bi-annually on alternate years.

Because the compensation system is market driven, recommendations for revisions to the structures have varied over the years. The compensation system is designed to allow employees to advance through the salary structures as a result of step increases. Each step is approximately 3% and eligible employees ⁽²⁾ advance as a result of the Board of Regents' approval of step increases on an annual basis.

Adjustments to Compensation Structures

In October 2008, the bi-annual market survey was conducted and the conclusions and recommendations were for adjustments to the Administrative/Support Staff Salary Structure and the Faculty Salary Structure. Findings indicated that the current structure midpoints for administrative and support staff were overall on average 6.8% below market.

A Faculty Salary Study was conducted in June 2008 and salary data was updated in the October 2008 study. In the Faculty Salary Study in June 2008, findings were that faculty salaries remain competitive; however pay ranges were below the market. An overall adjustment of 5.3% was recommended to all levels of the structure.⁽³⁾ In the October 2008 compensation study, faculty data was collected to reflect current fiscal year salaries. Based data collected, the recommendation was to adjust the faculty structure by an additional 4.5%. The cumulative adjustment to the current Faculty Salary Structure is approximately 10%.

The least costly implementation option for these structure adjustments is to migrate employees into the new structure at the rate closest to, but not less than, employees' rates in the current structure. Employees, with rates lower than step one of the appropriate band/grade or level are placed at step one of the appropriate structure (*in 1999, the college implemented this method when it moved from the compensation system in place at that time to the current system*).

⁽¹⁾ Action on increasing adjunct faculty pay was deferred in 2007.

⁽²⁾ Eligible employees for step increases are employees who are not at the top of their salary band or level and employees who have been recommended for a step increase as a result of annual performance reviews.

⁽³⁾ No action was taken on this recommendation.

Adjunct Instructor Rate Survey

Data collected on adjunct instructor rates in a 2008 survey in the Gulf Coast Consortium indicated that Brazosport College's rates are the lowest of the nine Gulf Coast Colleges. The results were:

Compensation System Overview

<u>College</u>	<u>Semester Credit Hour Rate</u>	<u>Proposed Semester Credit Hour Rate</u>
Brazosport College	\$515	\$530
Alvin College	\$533	
Galveston College	\$552	
Houston Com. College System	\$567	
College of the Mainland	\$585	
Wharton County Jr. College	\$600	
Lone Star College System	\$604	
San Jacinto College	\$608	
Lee College	\$629	

In an effort to bring Brazosport College adjunct rates in line with other colleges in our market, the Board may want to consider a 3% increase in FY 2010. The Board may also want to consider increasing adjunct faculty pay on an annual basis in an effort to catch up with the market over a period of the next 3-5 years.

Step Recommendation

In addition to adopting the new salary structures, as recommended by Fox Lawson & Associates, an additional option would be to move employees into the recommended structure at the step closest to their current salary but at a step that would provide an increase of approximately 3%. *(In the 2005 and 2007 study, a similar implementation model was recommended and approved by the Board).*

Proposed Budget by Responsibility 2009-2010 Brazosport College

	2010 Request	2009 Budget	Change
President, Communications, and Development	976,800	961,055	15,745
Dean, Educational Programs & Services ¹	10,394,436	9,935,778	458,658
Dean, Information & Community Resources ²	5,112,576	5,563,297	(450,721)
Dean, Student Services ³	2,464,086	2,314,290	149,796
Dean, Human Resources & Payroll	1,324,300	1,314,329	9,971
Dean, Administrative & Business Services ⁴	<u>7,437,694</u>	<u>7,225,024</u>	<u>212,670</u>
	27,709,892	27,313,773	396,119

¹ Salary structure adjustment, 3% increase for adjunct faculty, and step recommendation.

² Salary structure adjustment, 3 % increase for adjunct faculty, step recommendations, reductions in the CBIT (\$456,000), industry skills training (\$69,500), and hardware maintenance (\$51,500).

³ Salary structure adjustment , step recommendation, and replacement of computers in placement and testing offices \$54,000.

⁴ Salary structure adjustment, step recommendation, facilities maintenance & insurance \$222,000, building depreciation \$100,000, and utilities \$80,000.

**Proposed Capital Budget 2009-2010
Brazosport College**

<u>Department</u>	<u>Description</u>	<u>Proposed</u>
Information Technology	Information Security Assessment	40,000
Information Technology	ASTRA Room Scheduling Update	20,000
Information Technology	Server Consolidation	50,000
Computer Hardware Maint.	Network Wiring Upgrades & Additions	50,000
Books and Equipment	Library Holdings (SACS requirement)	160,000
Automotive Technology	Auto/Truck Aligner	25,000
Automotive Technology	Wheel Balancer	13,000
Machine Tools	Lathe	6,500
Process Equipment Trainer (PET)	Renovations and Building for Boiler/Turbine	100,000
TOTAL CAPITAL ASSET REQUESTS		464,500

Analysis of Net Assets - 2009-2010 Budget Brazosport College

Unrestricted net assets at 8/31/2008	6,154,429
Anticipated increase from 2008-09	500,000
Carryforward used in budget	(900,000)
Capital budget	<u>(464,500)</u>
Available unrestricted net assets	5,289,929
Total expense budget	<u>27,709,892</u>
Ratio of budget to unrestricted net assets	19.1%

Note: Board of Regents target is between 18% and 25%

Tax Rate Analysis 2009-2010 Brazosport College

	<u>Last year's Actual</u>		<u>This year's Proposed</u>		<u>Difference</u>
Net Taxable Value	\$ 7,125,365,523	A	\$ 6,457,127,185		\$ (668,238,338)
M & O Rate per \$100	\$ 0.129000		\$ 0.145000		\$ 0.016000
I & S Rate per \$100	\$ 0.027488		\$ 0.030754	B	\$ 0.0032660
Total Tax Rate	\$ 0.156488		\$ 0.175754		\$ 0.0192660

A In June the estimated NTV was \$6.8 billion and we reduced it by 2% to \$6.66 billion
The certified NTV is 5% less than May appraisal district estimate.

B Tax Assessor requires this exact rate.

Effective Tax Calculation

Last year's adjusted taxes		C	\$ 11,115,663	
This years adjusted tax base		D	<u>\$ 6,300,363,666</u>	
This year's effective tax rate (C/D)			\$ 0.176428	per \$100 valuation

Rollback Calculations

Last year's adjusted operating taxes		E	\$ 9,163,597	
This years adjusted tax base		F	<u>\$ 6,300,363,666</u>	
This year's effective operating rate (E/F)		G	\$ 0.145446	per \$100 valuation
Maximum operating rate (G times 1.08)			\$ 0.157081	per \$100 valuation
This year's debt rate			<u>\$ 0.030754</u>	per \$100 valuation
This year's total rollback rate			\$ 0.187835	per \$100 valuation

Budget Amounts

	<u>M & O</u>	<u>I & S</u>	<u>Total</u>
2009-2010 Budget	9,269,216	1,985,824	11,255,040
2008-2009 Budget	<u>9,126,645</u>	<u>1,619,450</u>	<u>10,746,095</u>
	142,571	366,374	508,945

Home Tax Illustration 2009-2010
Brazosport College

	<u>\$125,000 Home</u>	<u>\$225,000 Home</u>	<u>\$325,000 Home</u>
Appraised Value of Home	\$ 125,000	\$ 225,000	\$ 325,000
Less Homestead Exemption	<u>(25,000)</u>	<u>(45,000)</u>	<u>(65,000)</u>
Taxable Value of Home	\$ 100,000	\$ 180,000	\$ 260,000
Last year's total tax rate per \$100	<u>\$ 0.156488</u>	<u>\$ 0.156488</u>	<u>\$ 0.156488</u>
Annual tax	\$ 156.49	\$ 281.68	\$ 406.87
Monthly tax last year	\$ 13.04	\$ 23.47	\$ 33.91
Proposed total tax rate per \$100	<u>\$ 0.175754</u>	<u>\$ 0.175754</u>	<u>\$ 0.175754</u>
Proposed annual tax	\$ 175.75	\$ 316.36	\$ 456.96
Proposed monthly tax	\$ 14.65	\$ 26.36	\$ 38.08
Monthly Difference	\$ 1.61	\$ 2.89	\$ 4.17