

MINUTES OF THE WORKSHOP MEETING DEL MAR COLLEGE DISTRICT

June 10, 2025

The Workshop Meeting of the Board of Regents of the Del Mar College District convened at the Center for Economic Development, 3209 S. Staples, Room 106, Corpus Christi, Texas on Tuesday, June 10, 2025, at 10:00 a.m. with the following present:

From the Board:

Present:

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

Absent:

Dr. Laurie Turner.

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 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. John Strybos, Vice President and Chief Physical Facilities Officer; Mr. Matthew Busby, Vice President of Development and Donor Advising; Mr. Jeff Olsen, Chief of Staff and Vice President of Communication and Marketing; 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 relating to legislation passed during 89th Legislative Session

.....Dr. Natalie Villarreal
(I: *Communicate*, Goal 2: *Connect beyond the College*)

Dr. Villarreal provided an introductory summary of the outcomes of the 89th Texas Legislative Session and its impact on community colleges, specifically Del Mar College. She also covered key legislative priorities, appropriations, and significant bills, notably Senate Bill 37, and outlined the College's next steps in understanding and implementing these changes and provided the following information:

The session addressed the Governor's priorities including property tax relief, water infrastructure investment, teacher pay raises, expansion of career training, and school choice which passed without any significant challenges.

Legislative Priorities & Appropriations: The presentation highlighted the Texas Association of Community Colleges (TACC) and the Community College Association of Texas Trustees (CCATT) legislative priorities, focusing on appropriations, workforce development, and specific areas like nursing clinical rotations and state agency credentials. Senate Bill 1 was positive, with community colleges receiving over \$2.4 billion, a 2% increase. Financial Aid for Swift Transfer (FAST) received \$165 million, doubling the previous biennium. The Texas Education Opportunity Grant (TEOG) increased by over \$84 million, with more restrictions on eligibility. House Bill 500 provided an additional \$89.5 million due to the success of colleges with HB 8 metrics.

Senate Bill 37 regarding governance significantly affects community college governance, including the powers and duties of the board, the president's responsibilities, and the creation of an Office of the Ombudsman at the Coordinating Board level. The Bill is divided into four articles:

- Article 1 (Curriculum and Academic Programs): Governing Boards will have final authority on general education curriculum decisions, including minor degrees and certificate programs with low enrollment. Institutions will report to a coordinating board advisory committee.
- Article 2 (Institutional Governance): Changes include policy and responsibilities of the Board of Regents on the approval and denial of certain positions (provost, and associate provost).
- Article 3 (Coordination and Oversight of Institutions of Higher Education): Establishes an Office of the Ombudsman appointed by the Governor, responsible for reporting and tracking administrative processes. Also covers board member training requirements.
- Article 4 (Effective Date): The Bill's provisions will be effective January 1, 2026.

Discussion and concerns were voiced among the Board of Regents and College Administration regarding SB 37.

Many tax-related bills were proposed but did not pass. Those that did pass included HB 3093, signed by the Governor and relates to the calculation of ad valorem taxes when large industry partners protest their valuations. It uses the uncontested value as the base. Senate Bill 1453 requires a 60% board vote to approve increases in tax rates to pay off debt early.

Regarding SB7 Water Bill, there wasn't a specific line item for a desal training facility, there is potential to apply for funding under SB7, which allocates \$2 billion per biennium.

Senate Bill 1786 is the cleanup Bill to HB8 and was signed into law. It provides a specific definition of "credential of value" and defines "regional labor demand assessment." It also allows independent colleges and universities of Texas to be included in appropriation calculations and allows colleges to add to the Texas Workforce Commission labor demand list annually. There were multiple colleges participating in determining what the regional labor demand is, and the five areas covered were welding, cybersecurity, computers, HR and court reporting.

Senate Bill 2972 - Expressive Activities on Campus, regulates free speech on campus, prohibiting activities such as amplifying sounds (using a bullhorn) during class hours, putting up tents, and wearing masks to disguise oneself; designates free speech areas on campus; limits engagement of expressive activities the last two weeks of a semester, or between 10:00 pm and 8:00 a.m.

Senate Bill 2615 (telework) aims to have full-time faculty teaching in-person, hybrid, and online courses conduct their prep and coursework on campus. It is meant to bring higher ed employees back in person.

Dr. Villarreal and team will be in Austin with TASB to review all the bills and new laws, and there will be a continued focus on federal legislation. She highlighted the opportunities, challenges and outlined steps the College is taking to navigate upcoming changes effectively.

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

2. Discussion relating to 2026 preliminary budget

.....Mr. Raul Garcia
(II: Elevate, Goal 2: Maximize resources entrusted to the College)

Mr. Garcia indicated that the team is providing a preliminary 2026 budget update incorporating key assumptions aligned with the Strategic Plan.

Ms. Jackie Landrum reviewed upcoming budget plan calendar dates.

Revenue challenges and assumptions discussed include Tuition and Fees: No increase in out-of-district tuition rates, complying with the Governor's request. Enrollment levels are being evaluated, especially regarding the Freedom to Dream program; Property Tax Revenue-the overall tax rate is under evaluation. Initial valuation growth reflected 5%, but ARB review values are high and fluctuating. The city is assuming a flat valuation in their property taxes. A new construction value of \$500 million is currently being used; State Appropriations-state appropriations have not been settled yet. Forecasts based on historical data have been made. The budget includes estimated completions for Freedom to Dream students; and Federal Appropriations-no changes proposed. Budget is being preliminarily increased to the fiscal year 2024 level.

Mr. Garcia provided information regarding the Freedom to Dream Program and discussed the high interest in the program which has exceeded expectations. Current reports indicate 1,394 students are approved, 775 have signed a three-year agreement, and 164 have registered for the fall semester. Enrollment patterns and student support needs are being monitored. Funding is supported by state performance dollars and contributions from the Del Mar College Foundation. The student profile data indicates a trend towards accelerated credential completion (1-2 years) due to high levels of dual credit hours. Updated data shows that students are entering with more dual credit hours, leading to quicker revenue generation and a three-year financial sustainability report is anticipated by the July workshop. Enrollment continues through the August 10th class day.

Ms. Landrum provided details for the 2025-2026 budget plan as follows: State appropriations are being increased by \$424,000 based on historical data; state appropriations for Freedom to Dream are being increased by \$422,000; federal appropriations are being increased by \$528,000, with a 5% value increase and \$500 million in new construction, property tax revenue is estimated to increase by \$5 million, and this brings the total preliminary revenue budget to \$131.6 million.

The Workshop continued with discussion regarding tax rate scenarios and history overview. Three scenarios were presented, each increasing the tax rate to the maximum of 7.999%, generating \$5 million additional property tax revenue. The tax rate would fluctuate depending on estimated valuation growth. The tax rate decreased significantly in fiscal year 2024 due to rising values. A slight increase is estimated for next year with a 5% valuation increase. Based on an average homestead value of \$260,903, a homeowner could potentially pay around \$683 for property tax to the College.

Ms. Landrum discussed strategic alignment; she stated that the budget aligns with the College's Strategic Plan, "Charting the Viking Way" and the three guiding stars – Communicate, Elevate, Cultivate, and provided examples.

Ms. Tammy McDonald provided information regarding the proposed salary and benefit increases which included three options: Option 1: 1% increase and experience pay for faculty, totaling \$1.2 million. Option 2: 2% increase, totaling just under \$2 million. Option 3: 3% increase, totaling a little over \$2.7 million. Faculty salary increases include full-time faculty, term faculty, adjunct, overload, and stipends. Exempt salary increases are related to initiatives, HB8 realignment, new truck driving and CNA instructors, restructuring the advising model, and student recruitment. Non-exempt salary increases support a couple of new positions in the non-exempt area. The overall increase in salary and benefits is a 4% increase to the total salary budget line.

Ms. McDonald discussed non-salary expenses which include expenses for supplies, postage, duplicating, and copier rental due to inflation, increased enrollment, and Freedom to Dream, computer upgrades for student labs, increased targeted marketing and dual enrollment recruitment, student success coaching model and increased costs in existing contracts for custodial services, upgrade and increases in software costs, increases in travel and professional development to get back to pre-COVID levels, increased utilities and telephone costs, lower insurance quotes allowed for reallocation of those funds; and the total preliminary non-salary increases amount to \$2.8 million.

Ms. Landrum, Ms. McDonald, Mr. Garcia, and Dr. Escamilla responded to questions from the Board of Regents.

At 11:47 a.m., the Chair announced that the Board was going into Closed Session pursuant to:

3. 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/or 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 § 551.087**: (Deliberation Regarding Economic Development), regarding discussion or deliberation of information received from a business prospect with which the College is conducting economic development negotiations and/or the

deliberation of an offer of a financial or other incentive to a business prospect, with possible discussion and action in open session; and,

- C. **TEX. GOV'T CODE § 551.074(a)(1)**: (Personnel matters), regarding the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; including, 1.) Evaluation of College President and College President's Contract, and 2.) Board Self-Evaluation, with possible discussion and action in open session.

The Board of Regents reconvened in Open Session at 1:06 p.m. with no action taken.

ADJOURNMENT: The meeting was adjourned at 1:06 p.m.

MINUTES REVIEWED BY GC: /s/ARjr