

#### July 25, 2025

#### NOTICE OF MEETING

The Called Meeting of the Board of Regents of the Del Mar College District will convene at 11:30 a.m., Tuesday, July 29, 2025, 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 empowers our communities to achieve their dreams.

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:

#### STAFF REPORT:

Public comments for this agenda item

#### REGULAR AGENDA

Public comments for this agenda item

- 3. CLOSED SESSION pursuant to:
  - A. <u>TEX. GOV'T CODE § 551.071</u>: (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. <u>TEX. GOV'T CODE § 551.074(a)(1):</u> (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.

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 revision of the Open Meetings Act, Chapter 551, of the Texas Government Code.

# Item 1



## Fiscal Year 2026 Preliminary Budget

July 29, 2025

Raul Garcia, Vice President & Chief Financial Officer
Tammy McDonald, VP of Administration & HR
Dr. Jonda Halcomb, VP & Chief Academic Officer
Dr. Patricia Benavides-Dominguez, VP for Student Affairs
Jackie Landrum, Assistant Comptroller & Budget Analyst



## Agenda

- Budget Plan Calendar-FY 2026
- Operating Revenue Budget
- Strategic Plan-Resource Allocation
- Operating Expense Budget
- Questions



## Budget Plan Calendar- FY 2026

Month	Date	Activity Activity
Jul.	31	Preliminary Budgets sent to Departments
Aug.	12	<ul> <li>Regular Board Meeting-Budget Update. Board to adopt action items:</li> <li>An order to conduct a public hearing for the FY 2025-2026 proposed College budget</li> <li>An order to conduct a public hearing for the FY 2025-2026 proposed property tax rate</li> </ul>
	26	<ul> <li>Board Public hearing:</li> <li>Public comments on the proposed Budget &amp; Property tax rate</li> <li>Board to adopt action items:</li> <li>M&amp;O Budget</li> <li>Debt Service Proposed Budget</li> <li>M&amp;O Proposed Tax Rate</li> <li>Debt Service Proposed Tax Rate</li> <li>Proposed Tax Exemptions</li> </ul>
Sep.	1 30	<ul> <li>Deadline to approve budget</li> <li>Deadline to approve tax rate</li> </ul>



# Revenue Challenges & Assumptions FY 2026 Budget

### **State Appropriations**

- State estimate based on methodology changes
- FAST-increased to the amount received for FY 2024

### **Tuition & Fees**

- · No increase in tuition rate
- Evaluated levels of enrollment

**Property Tax** 

- · Overall tax rate evaluated
- Assumes a 1% net valuation growth
- \$600M in new construction



## Performance Funding-Methodology Changes



- One award per outcome category per student per year
- Added Independent Colleges and Universities of Texas (ICUTs) to fundable transfers
  - Includes transfers to a private or independent university
- New Credential of Value test for associate degrees only
  - Five-year ROI and \$30K annual earnings by year five
  - New COV test does not apply to certain CIP codes under education and healthcare
  - Six program area associate degrees identified as non-fundable for FY2026



## Exclusions: Associate Degrees

Program Area	CIP Level
Agriculture and Natural Resources	01-Agriculture, agriculture operations, and related sciences 03-Natural resources and conservation
Arts Biology and Life Sciences Communications and Journalism	50-Visual and performing arts 26-Biological and biomedical sciences 09-Communication, journalism, and related programs 10-Communications technologies/technicians and support services
Consumer, Culinary, and Wellness Psychology	12-Personal and culinary services (except 12.03) 19-Family and consumer sciences/human sciences (except for 19.0706-190709) 31-Parks, recreation, leisure, and fitness studies 42-Psychology



# State Methodology-Potential Impact (Based on FY2025 & FY2024 Outcomes)

	# of	# of					P	otential
2024-2025 (Fall 24 & Spring 25)	Students	Awards	Fun	ding Rate	Tot	al Funding	Fur	iding Loss
Students Earning Multiple CERT1	45	90	\$	1,750	\$	157,500	\$	78,750
Students Earning Multiple CERT2	39	78		1,750		136,500		68,250
Students Earning Multiple Assoc.	49	98		3,500		343,000		171,500
Associate Degree Exclusions	89	89		3,500		311,500		311,500

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2023-2024 (Fall 23 & Spring 24)	# of Students	# of Awards	E	ling Data	Taka	l Eurobio d		otential
			•	and the second second second second second second		l Funding	•	The second secon
Students Earning Multiple CERT1	45	90	\$	1,750	\$	157,500	\$	78,750
Students Earning Multiple CERT2	9	18		1,750		31,500		15,750
Students Earning Multiple Assoc.	71	142		3,500		497,000		248,500
Associate Degree Exclusions	135	135		3,500		472,500		472,500
			Tota	l Potentia	l Fu	nding Loss	\$	815,500



## FY 2026 Preliminary State Appropriations

Category		Amount
THECB FY 25 Estimate	\$	19,305,568
FY 25 Adjustments		
FY 25 Dynamic Adjustment		618,721
FY 25 Projected Settle-Up		(121,274)
Total FY 25 Adjustments	\$	497,447
FY 26 Adjustments		
FY 26 Reduction Based on Methodology Changes		(619,338)
Total FY 26 Adjustments	\$	(619,338)
FY 26 Total Preliminary Performance Funding	\$	19,183,677
	101	



## Freedom to Dream (F2D) Financial Plan – Fall 2025 Cohort Only

		2025-26	2026-27	2027-28	2028-29	Total
Funding Source	e Performance Funding					
	Associate Degrees	\$ -	\$ 105,950	\$ 350,513	\$ 3,536,325	\$ 3,992,788
	Certificate Programs	( <del>-</del> €2	280,800	242,288	54,600	577,688
	GAI Transfer w/ 15 SCH	<b></b>	47,775	158,681	1,511,738	1,718,194
	<b>Total Performance Funding</b>	\$	\$ 434,525	\$ 751,482	\$ 5,102,663	\$ 6,288,670
	DMC Foundation	500,000	500,000			1,000,000
	Total Funding Source	\$ 500,000	\$ 934,525	\$ 751,482	\$ 5,102,663	\$ 7,288,670
Tuition & Fee Waiver Costs	Associate Degrees (1,000 students) Certificate Programs	(2,817,381)	(2,639,755)	(865,408)	-	(6,322,544)
	(110 students)	(307,272)	(44,536)	-	-	(351,808)
	Total T&F Waiver Costs	\$ (3,124,653)	\$ (2,684,291)	\$ (865,408)	\$ -	\$ (6,674,352)
	NET SURPLUS/DEFICIT	\$ (2,624,653)	\$ (1,749,766)	\$ (113,926)	\$ 5,102,663	\$ 614,318



## Estimated Tuition and Fees Activity (net of waivers) FY 2025-2026

Category	Revenue	Wai	ver Costs	Total
New Enrollment Growth Foundation	\$ 1,035,011	\$	500,000	\$ 1,035,011 500,000
Subtotal	\$ 1,035,011	\$	500,000	\$ 1,535,011
Traditional Paying Students F2D Students Growth	- 1,912,404	-	1,212,249) 1,912,404)	(1,212,249)
Subtotal	\$ 1,912,404	\$ (3	3,124,653)	\$ (1,212,249)
Total Preliminary Estimated Tuition and Fees	\$ 2,947,415	\$ (2	2,624,653)	\$ 322,762



## Fall 2025 Enrollment Summary

Cre	dit Enrollment He	eadcount by Studen	t Type
Student Type	Regular	<b>Dual Enrolled</b>	Freedom to Dream
Headcount	4,212	2,847	792
Percentage	54%	36%	10%
Total Headcount		7,851	

	<b>Fall Credit</b>	Enrollment F	leadcount	
Student Type	Regular E	nrollment	Dual E	nrollment
Term	Fall 2024	Fall 2025	Fall 2024	Fall 2025
Headcount	6,441	7,851	2,348	2,847
Change	1,4	410		<b>499</b>
% Difference	22	2%	2	21%

\*Data updated as of July 21, 2025



## Fall 2025 Enrollment Summary

Fall Continuing Education Enrollment Headcount						
Term	2024A/Q1	*2025A/Q1				
Headcount	263	161				
Change	-:	102				
% Difference	-3	39%				

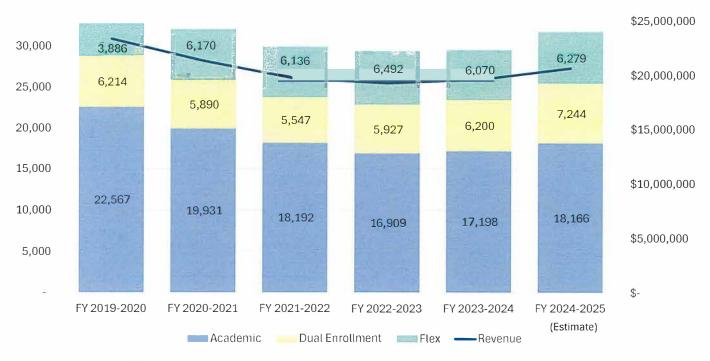
Combined Fall C	redit and Continuing Educa	ation Headcount
Term	Fall 2024	Fall 2025
Headcount	6,704	8,012
Change	1,	308
% Difference	2	0%

\*Q1 begins Sept 1-Nov 30th

<sup>\*\*</sup>Data updated as of July 21, 2025



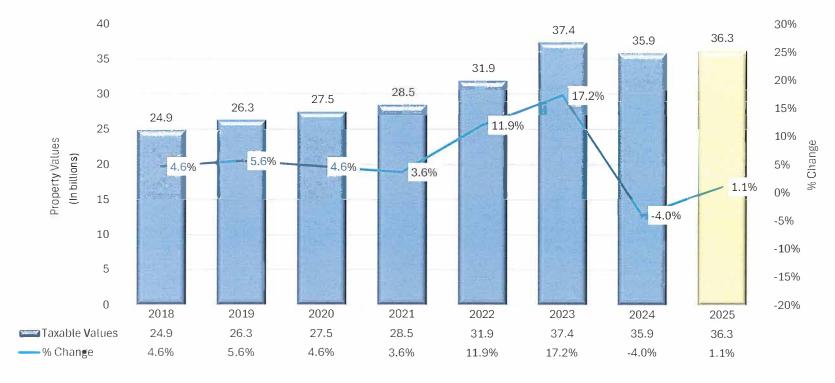
# Academic Tuition & Fee Revenue Compared to Enrollment



Note: Does not include CE. Includes FAST Appropriations.



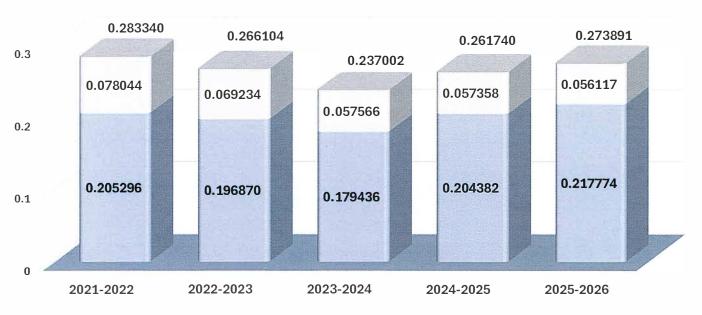
## Taxable Property Values



Note: Listed by Tax Calendar year. \*CPS Energy and Corpus Christi Housing Authority



## Tax Rate History



L	Μ	& O	Rate	□ Debt Service Rate

	FY	2022	FY	2023	FY	2024	FY	2025	FY	2026
<b>Annual Homeowner</b>										
Property Tax	\$	516	\$	534	\$	532	\$	644	\$	715

<sup>\*</sup>Based on 2025 Average Taxable Homestead Value of \$260,903

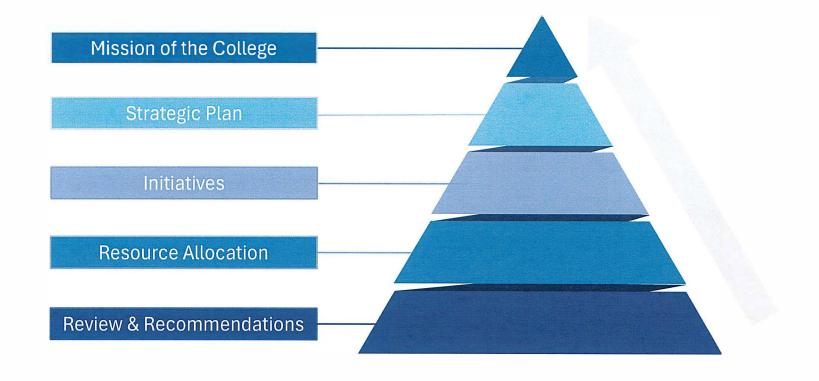


# Preliminary Revenue Budget FY 2026

	Budget		Increase/		Preliminary		% Change
Category		FY 2025	(1	Decrease)	Bu	dget FY 2026	of Budget
State Appropriations	\$	19,508,146	\$	(324,469)	\$	19,183,677	-2%
FAST Appropriations		1,187,164		528,283		1,715,447	44%
Insurance Contribution		4,281,371		342,510		4,623,881	8%
Retirement Contribution		1,966,711		-		1,966,711	0%
Total State Funding	\$	26,943,392	\$	546,324	\$	27,489,716	2%
Tuition & Fees		22,001,700		322,762		22,324,462	1%
Property Taxes		75,055,641		6,000,000		81,055,641	8%
Miscellaneous		1,262,144		-		1,262,144	0%
<b>Total Preliminary Revenue</b>	\$	125,262,877	\$	6,869,086	\$	132,131,963	5%



## Strategic Alignment







## Strategic Plan Goals



Goal 1: Collaborate across the College.

Goal 2: Connect beyond the College.



Goal 1: Increase completion for all students.

Goal 2: Maximize resources entrusted to the College.



Goal 1: Nurture our faculty and staff to achieve their full potential.

Goal 2: Optimize the Viking Student Experience.



# Preliminary Expense Increases FY 2026

## Connect Beyond the College

- Increased targeted student recruiting marketing
- Dual enrollment recruitment efforts

### Increase Completion for All Students

- Instructional Equipment
- Updated computer labs and technology

## Optimize the Viking Student Experience

- Student support services
- Success coaching model

## Maximize Resources Entrusted to the College

- Maintenance
- Deferred maintenance
- Custodial
- Utilities

### Nurture Our Faculty and Staff to Achieve their Full Potential

 Investing in our employees



# Proposed Salary & Benefits Increase Scenarios

Employee Classification	Option #1	Option #2	Option #3		
Control of the Contro	1 Yr. Experience Pay	1 Yr. Experience Pay	1 Yr. Experience Pay		
	@\$829	@\$829	@\$829		
Faculty Full-Time	2% to Schedules for Rank,	3% to Schedules for Rank,	4% to Schedules for Rank,		
	Education & Base	Education & Base	Education & Base		
	Includes promotions	Includes promotions	Includes promotions		
Adjunct/Overload	2% to Schedule	3% to Schedule	4% to Schedule		
Exempt (includes Instruction CE/WD)	2%	3%	4%		
Non-Exempt F/T	2%	3%	4%		
Non-Exempt P/T (Excludes Work-					
study, Student Assistants,	204	20/	404		
Instructional & Grants) *Must meet	2%	3%	4%		
eligibility requirements					

Total Salary & Benefit Increase	\$1,998,044	\$2,740,967	\$3,483,890
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# Preliminary Expense Budget FY 2026

		Vacancy Variance					
	Budget	Increase/	Increase/		Preliminary	% Change	
Category	FY 2025	(Decrease)		(Decrease)	<b>Budget FY 2026</b>	of Budget	
Faculty Salaries	\$ 36,431,043	\$ 2,621,836	\$	(1,503,958)	\$ 37,548,921	3%	
Exempt Salaries	14,430,005	2,011,250		(354,827)	16,086,428	11%	
Exempt Salaries-Instructional	3,219,598	641,587		<b>≧</b>	3,861,185	20%	
Non-Exempt Salaries	10,314,706	651,992		489,449	11,456,147	11%	
Non-Exempt Salaries-Instructional	2,889,902	(199,709)		( <b>÷</b> :	2,690,193	-7%	
Benefits	21,531,283	1,064,864			22,596,147	5%	
Total Salaries & Benefits	\$ 88,816,537	\$ 6,791,820	\$	(1,369,336)	\$ 94,239,021	6%	
Non-Salary Expenses	34,567,397	1,343,566		-	35,910,963	4%	
Contingency	1,878,943	103,036			1,981,979	5%	
Total Non-Salary Expenses	\$ 36,446,340	\$ 1,446,602	\$	-	\$ 37,892,942	4%	
Total Preliminary Expenses	\$125,262,877	\$ 8,238,422	\$	(1,369,336)	\$132,131,963	5%	

<sup>\*</sup>Includes option #2 for salary increases



## Preliminary Expense Budget FY 2026

	Vacancy Variance					
	Budget	Increase/		Increase/	Preliminary	% Change
Category	FY 2025	(Decrease)		(Decrease)	Budget FY 2026	of Budget
Salaries & Benefits:						
Faculty Salaries	\$ 36,431,043	\$ 2,621,836	\$	(1,503,958)	\$ 37,548,921	3%
Exempt Salaries	14,430,005	2,011,250		(354,827)	16,086,428	11%
Exempt Salaries-Instructional	3,219,598	641,587		5.	3,861,185	20%
Non-Exempt Salaries	10,314,706	651,992		489,449	11,456,147	11%
Non-Exempt Salaries-Instructional	2,889,902	(199,709)		-	2,690,193	-7%
Benefits	21,531,283	1,064,864		2	22,596,147	5%
Total Salaries & Benefits	\$ 88,816,537	\$ 6,791,820	\$	(1,369,336)	\$ 94,239,021	6%
Non-Salary Expenses:						
Contract Instruction	158,600			=	158,600	0%
Supplies, Postage, Dupl, Copier Rental	3,799,761	(11,603)		-	3,788,158	0%
Maintenance & Repairs	2,438,556	7,720		¥	2,446,276	0%
Equipment	1,588,748	141,040		€	1,729,788	9%
Student Recruiting & Marketing	1,278,906	285,000		<u> </u>	1,563,906	22%
Audit & Legal, Tax Appraisal, Coll Fees	1,823,694	104,000			1,927,694	6%
Contract Labor & Consultants	3,596,155	146,886		-	3,743,041	4%
Accreditation	63,336	34,433		-	97,769	54%
Special Pop Interpreter	120,000	75,000		-	195,000	63%
Comp Software, Hardware, License & Serv	4,430,706	580,239		¥	5,010,945	13%
Travel & Professional Development	553,513	30,068		5	583,581	5%



## Preliminary Expense Budget FY 2026

	Budget	ı	ncrease/	Vacancy Variance	Preliminary	% Change
0-1						
Category Non-Salary Expenses-Continued	FY 2025	, L	Decrease)	ncrease/	Budget FY 2026	का गामस्थ
Election	175,000		(175,000)		2	-100%
				15		
Security	1,627,304		5,000		1,632,304	0%
Recruitment	32,000		±-	-	32,000	0%
Food & Beverage	99,312		16,549		115,861	17%
Library	259,297		(8,175)	1,50	251,122	-3%
Bad Debt	225,000		-	5₩.	225,000	0%
Membership & Dues	273,589			*	273,589	0%
Utilities & Telephone	3,092,861		526,358	1 <del>11</del> 2	3,619,219	17%
Insurance	4,535,044		(399,673)	14	4,135,371	-9%
Bank & Collection Fees	155,300		-	+	155,300	0%
Campus Police	302,858		-	:::::	302,858	0%
Tuition Bond Transfers Out	1,951,000		(250)	(2)	1,950,750	0%
Miscellaneous	551,857		(14,026)		537,831	-3%
Deferred Maintenance	1,435,000		-	: <del>:::</del> :	1,435,000	0%
Total Non-Salary Expenses	\$ 34,567,397	\$	1,343,566	\$ -	\$ 35,910,963	4%
Contingency	1,878,943		103,036	97	1,981,979	5%
Total Preliminary Expenses	\$125,262,877	\$	8,238,422	\$ (1,369,336)	\$132,131,963	5%





## Thank you!



# Item 2



#### OFFICE OF GENERAL COUNSEL

DATE:

July 24, 2025

TO:

Board of Regents

College President and CEO

FROM:

Augustin Rivera, Jr.

General Counsel

RE:

Approval and Ratification of External Audit Services Contract

#### **SUMMARY:**

In August 2024, the Board approved a contract for external audit services with the firm of Collier, Johnson & Woods, P.C., ("Collier"), for a two-year term beginning on September 1, 2024 and extending through August 31, 2025. The contract also provides a renewal option of three (3) additional one (1) year periods upon the mutual agreement of the parties.

In February 2025, there was a lateral transitional move of the entire team providing auditing services to the College, from Collier to Adamson & Company, L.L.C., ("Adamson"). Collier no longer offers external audit services. In addition, Collier has agreed to assign all rights under the audit services contract with the College to Adamson, contingent upon the consent of the College. See attached "Assignment and Assumption Agreement."

In order to facilitate the provision of continued, uninterrupted auditing services and to maintain the trusted relationship with the audit team, Del Mar College administration consents to the assignment, and requests Board approval and ratification.

#### **RECOMMENDED ACTION:**

Adminstration recommends Board approval and ratification of the Assignment and Assumption Agreement.

### LIST OF SUPPORTING DOCUMENTS:

1. Assignment and Assumption Agreement

#### ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement (this "Assignment") is made as of the date of the last signature below by and between Collier, Johnson & Woods, P.C., a professional corporation ("Assignor"), and Adamson & Company, LLC, a Texas limited liability company ("Assignee").

#### 1. Assignment of Contract

Assignor hereby assigns, transfers and conveys to Assignee all of its rights, title and interest in and to the Financial Auditing Services Agreement between Assignor and Del Mar College (the "Client"), dated August 26, 2024, for the audit of the Client's financial statements for the year ended December 31, 2024 and 2025, with an option to extend services for three (3) additional one (1) year periods (the Contract). This Assignment shall be effective as of April 1, 2025 (the "Effective Date").

#### 2. Assumption by Assignee

Assignee accepts the assignment of the Contract and agrees to assume the performance of all obligations of Assignor under the Contract from and after the Effective Date. Assignee agrees to indemnify, defend and hold Assignor harmless from any and all claims, demands, liabilities, losses, costs, damages or expenses, including but not limited to reasonable attorneys' fees, arising out of or resulting from Assignee's breach or default under the terms of the Contract.

#### 3. Indemnification by Assignor

Assignor agrees to indemnify, defend and hold Assignee harmless from any and all claims, demands, liabilities, losses, costs, damages or expenses, including but limited to reasonable attorneys' fees, arising out of or resulting from Assignor's breach or default under the Contract prior the Effective Date.

#### 4. Representation to Client

Assignee represents and warrants to Client that Assignee is qualified to fulfill all terms and conditions of the Contract. Assignee further warrants that all representations, warranties and assurances previously made by Assignor to Client remain accurate and applicable.

#### 5. Consent by Client

Pursuant to the terms and conditions of the Contract, Del Mar College, as the Client, consents to this Assignment and agrees to recognize Assignee as the successor to Assignor for all obligations under the Contract, effective from the Effective Date.

### 6. Execution

This Assignment may be executed in separate counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same fully executed Assignment.

In witness whereof, the parties hereto have executed the Assignment as of the date set forth below.

Assignor:
Collier, Johnson & Woods, P.C.
Laurie W. Cook, CPA
Date
Assignee:
Adamson & Company, LLC
Adam R. Miller, CPA
Date
Client Consent:
Del Mar College
Signature
Printed Name
Title
Date