



Legislative Appropriations Request

for Fiscal Years 2014 and 2015

**Submitted to the
Governor's Office of Budget, Planning and Policy
and the Legislative Budget Board**

by

Houston Community College

Date of Submission: August 16, 2012





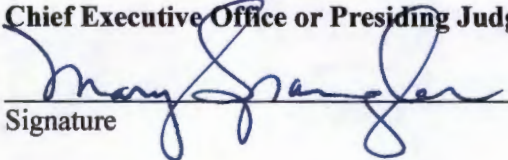
CERTIFICATE

Agency Name HOUSTON COMMUNITY COLLEGE SYSTEM

This is to certify that the information contained in the agency Legislative Appropriations Request filed with the Legislative Budget Board (LBB) and the Governor's Office of Budget, Planning and Policy (GOBPP) is accurate to the best of my knowledge and that the electronic submission to the LBB via the Automated Budget and Evaluation System of Texas (ABEST) and the PDF file submitted via the LBB Document Submission application are identical.

Additionally, should it become likely at any time that unexpended balances will accrue for any account, the LBB and the GOBPP will be notified in writing in accordance with Article IX, Section 7.01 (2012-13 GAA).

Chief Executive Office or Presiding Judge

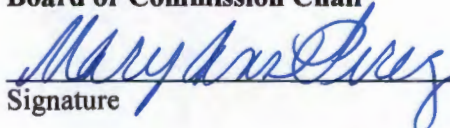

Signature

Dr. Mary Spangler
Printed Name

Chancellor
Title

August 16, 2012
Date

Board or Commission Chair

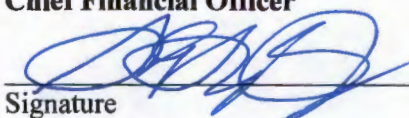

Signature

Trustee Mary Ann Perez
Printed Name

Board Chair
Title

August 16, 2012
Date

Chief Financial Officer


Signature

Dr. Arthur Q. Tyler
Printed Name

Deputy Chancellor/COO
Title

August 16, 2012
Date

Houston Community College
LAR FY2014-FY2015
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GOVERNING BOARD: ELECTED BOARD OF TRUSTEE'S

DISTRICT	MEMBER	TERM EXPIRES
I	Yolanda Navarro-Flores	2013
II	Bruce A. Austin	2013
III	Mary Ann Perez	2015
IV	Carroll G. Robinson	2017
V	Richard Schechter	2017
VI	Sandra "Sandie" Mullins	2015
VII	Neeta Sane	2013
VIII	Eva L. Loreda	2015
IX	Christopher W. Oliver	2017

LAR Administrator's Statement

On behalf of its governing board and administration, Houston Community College ("HCC") submits its Legislative Appropriations Request (LAR) for the biennium 2014 – 2015. The substance of this LAR consists of inclusive planning and sound fiscal practices that seek to promote educational quality and accountability. It also factors excellent stewardship of existing resources.

The HCC LAR acknowledges anticipated state policy changes relating to the community college funding methodology that will likely impact our institution, our students and the region in which we provide workforce resources. As it concerns this matter, HCC generally supports the TACC policy position and other legislative priorities contained in the TACC 5-Point Campaign. These include, but are not limited to, seeking state support for community college core operations, adopting a viable "student success" model, adequately funding contact hours, and restoration of employee benefits.

For consideration purposes, HCC experienced unprecedented growth in its student body – 28% in the last biennium. In the reporting year 2010-2011, HCC served 120,804 students, with the #1 priority of ensuring their success, which positions them for future career opportunities that meet the needs of the community at-large. As our economy rebounds, the data suggest that the activities of HCC's 2010-2011 student body will generate about \$306.5 million in labor income to the state's economy each year, further suggesting that HCC is a sound investment for our region and the state. (Citing "Working Houston: The Economic Impact of Houston Community College – 2012 Regional Economic Growth and Investment Analysis).

As the supplier of skilled workers to business and industry, HCC has a responsibility to build partnerships – including with the state – to develop the means to respond quickly with the creation and design of programs and student-learning outcomes that meet their requirements. One such new partnership is with UT-Tyler that positions HCC students to receive bachelors' degrees in the STEM-related field of engineering, while attending at the HCC-Northwest Alief campus location. As we forge strategic partnerships, we are also increasing student completions and offering a high-quality affordable education for academic advancement, workforce training, career and economic development, and lifelong learning to prepare individuals in our diverse communities for life and work in a global and technological society.

Also for consideration purposes, HCC submits its exceptional items requests for which it seeks funding that will result from several expansions identified in the preceding pages of this LAR. The HCC exceptional items specifically concern: (1) HCC – Southeast College Expansion that supports the Port of Houston, Hobby Airport, and greater Houston petro-chemical industries, and (2) HCC – Northwest programs that include (a) Film Making Program Expansion and (b) HCC-UT-Tyler Engineering

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Program within the Alief community of Houston.

With the preceding paragraphs serving as a backdrop, HCC is poised to begin working with members of the Legislative Budget Board (LBB), the Governor's Office of Budget, Planning and Policy and the 83rd legislature to find solutions and opportunities that enhance our collective ability to serve the higher education needs of the state of Texas. Thank you for the opportunity to submit the biennium 2014 – 2015 LAR on behalf of HCC.

2.B. Summary of Base Request by Method of Finance
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/16/2012 12:29:26PM

Agency code: 994

Agency name: Houston Community College

METHOD OF FINANCING	Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
<u>GENERAL REVENUE</u>					
<u>1</u> General Revenue Fund					
REGULAR APPROPRIATIONS					
Baseline	\$65,061,829	\$70,232,038	\$70,326,503	\$0	\$0
TOTAL, General Revenue Fund	\$65,061,829	\$70,232,038	\$70,326,503	\$0	\$0
TOTAL, ALL GENERAL REVENUE	\$65,061,829	\$70,232,038	\$70,326,503	\$0	\$0
GRAND TOTAL	\$65,061,829	\$70,232,038	\$70,326,503	\$0	\$0

FULL-TIME-EQUIVALENT POSITIONS

TOTAL, ADJUSTED FTES

NUMBER OF 100% FEDERALLY
 FUNDED FTEs

2.E. Summary of Exceptional Items Request
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/16/2012
 TIME : 12:29:26PM

Agency code: 994

Agency name: Houston Community College

Priority	Item	2014			2015			Biennium	
		GR and GR/GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds
18	HCC - Southeast College Expansion	\$147,493	\$147,493	4.0	\$163,881	\$163,881	4.0	\$311,374	\$311,374
19	HCC - Northwest UT-Tyler Eng Prog	\$1,664,587	\$1,664,587	33.3	\$1,697,876	\$1,697,876	33.8	\$3,362,463	\$3,362,463
20	HCC - Northwest Film Making Program	\$196,303	\$196,303	4.0	\$215,933	\$215,933	4.3	\$412,236	\$412,236
Total, Exceptional Items Request		\$2,008,383	\$2,008,383	41.3	\$2,077,690	\$2,077,690	42.1	\$4,086,073	\$4,086,073

Method of Financing

General Revenue	\$2,008,383	\$2,008,383		\$2,077,690	\$2,077,690		\$4,086,073	\$4,086,073
General Revenue - Dedicated								
Federal Funds								
Other Funds								
	\$2,008,383	\$2,008,383		\$2,077,690	\$2,077,690		\$4,086,073	\$4,086,073

Full Time Equivalent Positions

41.3

42.1

Number of 100% Federally Funded FTEs

Schedule 3C: Group Insurance Data Elements (Community Colleges)
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/16/2012 12:29:27PM

Agency Code: 994 Agency Code: Houston Community College

	Total I & A Enrollment	Local Non I & A	GR Percent Enrollment	Non - GR Percent	Total Enrollment
GENERAL REVENUE / SALARIES					
Unrestricted General Revenue:	\$65,957,104	GR Percent:	38.62%		
Total Salaries:	\$170,788,199	Non-GR Percent:	61.38%		
FULL TIME ACTIVES					
1a Employee Only	1,144	146	498	792	1,290
2a Employee and Children	318	26	133	211	344
3a Employee and Spouse	216	14	89	141	230
4a Employee and Family	242	17	100	159	259
5a Eligible, Opt Out	0	0	0	0	0
6a Eligible, Not Enrolled	22	0	8	14	22
Total for this Section	1,942	203	828	1,317	2,145
PART TIME ACTIVES					
1b Employee Only	4	0	2	2	4
2b Employee and Children	0	0	0	0	0
3b Employee and Spouse	1	0	0	1	1
4b Employee and Family	1	0	0	1	1
5b Eligible, Opt Out	0	0	0	0	0
6b Eligible, Not Enrolled	2,824	554	1,305	2,073	3,378
Total for this Section	2,830	554	1,307	2,077	3,384
Total Active Enrollment	4,772	757	2,135	3,394	5,529

Agency Code: 994 Agency Code: Houston Community College

	Total I & A Enrollment	Local Non I & A	GR Percent Enrollment	Non - GR Percent	Total Enrollment
FULL TIME RETIREES by ERS					
1c Employee Only	0	0	0	0	0
2c Employee and Children	0	0	0	0	0
3c Employee and Spouse	0	0	0	0	0
4c Employee and Family	0	0	0	0	0
5c Eligible, Opt Out	0	0	0	0	0
6c Eligible, Not Enrolled	0	0	0	0	0
Total for this Section	0	0	0	0	0
PART TIME RETIREES by ERS					
1d Employee Only	0	0	0	0	0
2d Employee and Children	0	0	0	0	0
3d Employee and Spouse	0	0	0	0	0
4d Employee and Family	0	0	0	0	0
5d Eligible, Opt Out	0	0	0	0	0
6d Eligible, Not Enrolled	0	0	0	0	0
Total for this Section	0	0	0	0	0
Total Retirees Enrollment	0	0	0	0	0
TOTAL FULL TIME ENROLLMENT					
1e Employee Only	1,144	146	498	792	1,290
2e Employee and Children	318	26	133	211	344
3e Employee and Spouse	216	14	89	141	230
4e Employee and Family	242	17	100	159	259
5e Eligible, Opt Out	0	0	0	0	0
6e Eligible, Not Enrolled	22	0	8	14	22
Total for this Section	1,942	203	828	1,317	2,145

Schedule 3C: Group Insurance Data Elements (Community Colleges)
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/16/2012 12:29:27PM

Agency Code: 994 Agency Code: **Houston Community College**

	Total I & A Enrollment	Local Non I & A	GR Percent Enrollment	Non - GR Percent	Total Enrollment
TOTAL ENROLLMENT					
1f Employee Only	1,148	146	500	794	1,294
2f Employee and Children	318	26	133	211	344
3f Employee and Spouse	217	14	89	142	231
4f Employee and Family	243	17	100	160	260
5f Eligible, Opt Out	0	0	0	0	0
6f Eligible, Not Enrolled	2,846	554	1,313	2,087	3,400
Total for this Section	4,772	757	2,135	3,394	5,529

4.A. Exceptional Item Request Schedule
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/16/2012
 TIME: 12:29:27PM

Agency code: 994

Agency name:
Houston Community College

CODE	DESCRIPTION		Excp 2014	Excp 2015
		Item Name: HCC - Southeast College Expansion		
		Item Priority: 18		
		Includes Funding for the Following Strategy or Strategies: 01-01-02 Vocational/Technical Education		
OBJECTS OF EXPENSE:				
1005	FACULTY SALARIES		147,493	163,881
	TOTAL, OBJECT OF EXPENSE		\$147,493	\$163,881
METHOD OF FINANCING:				
1	General Revenue Fund		147,493	163,881
	TOTAL, METHOD OF FINANCING		\$147,493	\$163,881
FULL-TIME EQUIVALENT POSITIONS (FTE):			4.00	4.00

DESCRIPTION / JUSTIFICATION:

The continued growth of the Port of Houston, Hobby Airport, and the greater Houston petro-chemical industry has created several areas of vital need. In particular, there is a significant shortage of trained mechanics, engineers and techs to service the refrigerated containers which pass through the Port of Houston and of trained professionals to address the immediate and future corrosion needs of the Port, Hobby and the petro-chemical industry. HCC Southeast College is committing \$2 million for new campus facilities to house labs and classrooms for training students to meet these needs. The new campus facilities will also include a small business development center to assist the growing number of small businesses providing services to these and other industries in the area.

The expected HCC – Southeast increase in contact hours and students resulting from this expansion is 46,080 (60 full-time students) in FY 2014 and 51,200 (66 full-time students) in FY 2015 with a corresponding fiscal year appropriation request of \$147,493 and \$163,881 respectively based on the FY 2012-2013 percentage of formula funding for HCC. If the formula percentage is restored to the FY 2010-2011 level, the respective amounts would increase to \$205,893 and \$228,770.

EXTERNAL/INTERNAL FACTORS:

Recent discussions with industry leaders and corrosion professionals indicate that there is a large demand for corrosion specialists creating a lag in repair and maintenance in equipment, storage containers and infrastructure. Local industry has expressed concerns over similar shortages in mechanics, engineers and techs to assist with the rapid expansion of refrigerated container traffic. These new programs will address the needs of our community as well as provide expertise needed elsewhere within our state. We anticipate discussing the proposed small business development center with the Comptroller's office to seek funding in the manner provided for other small business development centers, which would result in no impact on certification of the appropriations bill. We will submit an amended request to include such funding if the Comptroller's office approves it.

4.A. Exceptional Item Request Schedule
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/16/2012
 TIME: 12:29:27PM

Agency code: 994

Agency name:

Houston Community College

CODE	DESCRIPTION	Excp 2014	Excp 2015
	Item Name: HCC - Northwest UT-Tyler Engineering Program		
	Item Priority: 19		
	Includes Funding for the Following Strategy or Strategies: 01-01-01 Academic Education		
 OBJECTS OF EXPENSE:			
1005	FACULTY SALARIES	1,664,587	1,697,876
	TOTAL, OBJECT OF EXPENSE	\$1,664,587	\$1,697,876
 METHOD OF FINANCING:			
1	General Revenue Fund	1,664,587	1,697,876
	TOTAL, METHOD OF FINANCING	\$1,664,587	\$1,697,876
 FULL-TIME EQUIVALENT POSITIONS (FTE):		33.30	33.80

DESCRIPTION / JUSTIFICATION:

Houston Community College (HCC) is partnering with the University of Texas at Tyler to establish an articulated engineering program that will enable students who graduate with an Associate Degree in Engineering to complete a Bachelor of Science degree in Engineering at the HCC Alief Hayes Road Campus. HCC will build out a new campus facility at a total cost of \$15 million to accommodate the anticipated growth in the number of students obtaining the associate degree.

The expected increase in contact hours and students resulting from this expansion is 469,281 (350 full-time students) in FY 2014 and 478, 666 (357 full-time students) in FY 2015 with a corresponding fiscal year appropriation request of \$1,664,587 and \$1,697,876 respectively based on the FY 2012-2013 percentage of formula funding for HCC. If the formula percentage is restored to the FY 2010-2011 level, the respective amounts would increase to \$2,323,685 and \$2,370,155.

EXTERNAL/INTERNAL FACTORS:

HCC is taking a leadership role in higher education by fulfilling a viable STEM –related need in the Alief community by providing a Bachelor's Degree in Engineering in partnership with UT-Tyler. This venture creates a pathway, via the new "Texas Pipeline," for students that begin with Alief Early College High School and continue to completion of an Associate's Degree through HCC and ultimately a Bachelor's degree at UT Tyler. In offering this new degree program, HCC will generate increased enrollments which will prepare students for long term careers in the field of engineering.

4.A. Exceptional Item Request Schedule
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/16/2012
 TIME: 2:04:21PM

Agency code: 994

Agency name:
Houston Community College

CODE	DESCRIPTION		Excp 2014	Excp 2015
		Item Name: HCC - Northwest Film Making Program		
		Item Priority: 20		
		Includes Funding for the Following Strategy or Strategies: 01-01-02 Vocational/Technical Education		
OBJECTS OF EXPENSE:				
1005	FACULTY SALARIES		196,303	215,933
	TOTAL, OBJECT OF EXPENSE		\$196,303	\$215,933
METHOD OF FINANCING:				
1	General Revenue Fund		196,303	215,933
	TOTAL, METHOD OF FINANCING		\$196,303	\$215,933
	FULL-TIME EQUIVALENT POSITIONS (FTE):		4.00	4.30

DESCRIPTION / JUSTIFICATION:

HCC-Northwest will expand its filmmaking program by building a new 25,000 foot square campus facility in Alief. The local cost of renovation and equipping of this facility will total \$10 million. Because of this program offering and re-development, HCC Northwest anticipates increased enrollment growth that will significantly exceed the existing facility located at Spring Branch.

The expected increase in contact hours and students resulting from this expansion is 64,000 (80 full-time equivalent students) in FY 2014 and 70,400 (88 full-time equivalent students) in FY 2015. The corresponding fiscal year appropriation request of \$196,303 and \$215,933, respectively is based on the FY 2012-2013 percentage of formula funding for HCC. If the formula percentage is restored to the FY 2010-2011 level, the respective amounts would increase to \$274,029 and \$301,432.

EXTERNAL/INTERNAL FACTORS:

The Texas Film Commission identifies filmmaking as a vital economic driver for the State of Texas, which creates significant tax incentives to help attract film production companies to the state. Texas currently ranks third in the nation for film production-related jobs, generating annual wages in the state of roughly \$1.5 billion. Houston is actively working to become a hub for the film industry in Texas. According to a recent student conducted by the Houston Arts Alliance, utilizing EMSI data, employment in film and related creative industries will increase by roughly 20% over the next five years. Various film-related industries have effective jobs multipliers of between 2.0-2.95. While incomes vary across the industry, here are average salaries a few selected positions: film and video editing - \$27.00 hour, multimedia artist - \$31.54 hour, producers and directors - \$41.32, and operations managers - \$51.17 hour.

4.C. Exceptional Items Strategy Request
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/16/2012
TIME: 12:29:27PM

Agency Code: 994 Agency name: Houston Community College

GOAL: 1 Provide Instruction
 OBJECTIVE: 1 Provide Administration and Instructional Services
 STRATEGY: 1 Academic Education

Statewide Goal/Benchmark: 2 - 0
 Service Categories:
 Service: 20 Income: A.2 Age: B.3

CODE DESCRIPTION	Excp 2014	Excp 2015
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OBJECTS OF EXPENSE:

1005 FACULTY SALARIES	1,664,587	1,697,876
Total, Objects of Expense	\$1,664,587	\$1,697,876

METHOD OF FINANCING:

1 General Revenue Fund	1,664,587	1,697,876
Total, Method of Finance	\$1,664,587	\$1,697,876

FULL-TIME EQUIVALENT POSITIONS (FTE):	33.3	33.8
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EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

HCC - Northwest UT-Tyler Engineering Program

4.C. Exceptional Items Strategy Request
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/16/2012
 TIME: 12:29:27PM

Agency Code: 994 Agency name: Houston Community College

GOAL: 1 Provide Instruction Statewide Goal/Benchmark: 2 - 0
 OBJECTIVE: 1 Provide Administration and Instructional Services Service Categories:
 STRATEGY: 2 Vocational/Technical Education Service: 20 Income: A.2 Age: B.3

CODE DESCRIPTION	Excp 2014	Excp 2015
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OBJECTS OF EXPENSE:

1005 FACULTY SALARIES	343,796	379,814
Total, Objects of Expense	\$343,796	\$379,814

METHOD OF FINANCING:

1 General Revenue Fund	343,796	379,814
Total, Method of Finance	\$343,796	\$379,814

FULL-TIME EQUIVALENT POSITIONS (FTE):	8.0	8.3
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EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

HCC - Southeast College Expansion
 HCC - Northwest Film Making Program