



**MEETING OF THE BOARD OF REGENTS
LEE COLLEGE DISTRICT
BOARD BUDGET WORKSHOP
May 26, 2026**

The Board of Regents of the Lee College District met on May 26, 2026, at 5:00 p.m. at John B. Tucker Hall. Chairman Santana called the meeting to order stating that the meeting was duly posted, and a quorum was present.

PRESENT: Gilbert Santana, Chairman; Pam Warford, Vice Chair; Mark Himsel, Secretary; Gina Guillory, Assistant Secretary; Weston Cotten; Daryl Fontenot; Mark Hall; Judy Jirrels; Heron Thomas

Jacob Atkin, Interim President

ABSENT: None

WORKSHOP – FY 2027 BUDGET

Mr. Atkin began by citing four workshop purpose and context factors:

- Provide context for the FY 2027 budget discussion
- Review external and internal financial pressures
- Highlight major operating and one-time priorities
- Support Board discussion on sustainability and strategic choices

Context discussion began with comparisons to community colleges in the Gulf Coast Region from the following standpoints: (1) budget size and scale, (2) revenue and funding sources, (3) tax base strength and capacity, and (4) debt position and state appropriations. Comparisons included enrollment size, and the favorable impact for Lee College of prison education enrollment. Mr. Atkin discussed differences in revenue mix between peer institutions, and how these differences affect financial resilience and budget flexibility. For each institution, he presented operating costs per student, tax rates, dollars generated by a penny on the tax rate based on total assessed property value, tax revenue generated per student enrolled, and outstanding debt.

Lee College earns the most state appropriation funding per student of any institution in Texas, largely as the result of its students in the prisons, Mr. Atkin said. However, Lee College expects 5% less in state appropriations next year, due to modifications in the funding formula, he said.

Presentation of tuition and fees comparisons between Gulf Coast community colleges led to Q&A. Mr. Atkin noted that Lee College tuition and fees include cost of all course materials; at all but one other Gulf Coast community college, cost of books and other course materials is not part of tuition and fees. Excluding the myBooks fee for course materials, in-district tuition and fees for Lee College students of \$91.17 per credit hour is \$17.40 below the state average, he said.

With presentation of context completed, Mr. Atkin proposed an FY 2027 budget development timeline consisting of up to three budget workshops – today (expenses), June (revenues), and July (summary), with adoption of the FY 2027 budget in either July or August, and approval of a tax rate in September.

Next, Mr. Atkin identified operational budget pressures as follows:

- Compensation: \$772,851 (3% cost of living adjustment, plus benefits impact)
- Equity adjustments: \$500,000 proposed allocation
- Student employment: \$300,000 request
- Adjunct pay: \$900,000 range
- Faculty Pay Adjustment: \$934,210
- ERP investment: \$750,000 for strategic infrastructure

The presentation continued with detail and discussion on employee compensation relative to inflation for the last eight years, analysis of the overall compensation-inflation gap, and proposed resolution of internal pay equities. Also, Mr. Atkin discussed value and advantages of student employment, sources of funds for student pay, the structural gap between current student employment cost and the funding model, and a proposed correction plan.

Presenting details on adjunct and faculty pay adjustments and correction, Mr. Atkin noted faculty pay for an hour of lab instruction is only two-thirds the amount paid for an hour of lecture pay.

Beyond college-wide expense proposals, the college divisions – Office of the President, Provost, Strategic Initiatives & External Affairs, PIER and Enrollment Management, Transfer/Placement/Workforce, and Student Affairs – have proposed targeted expense requests totaling nearly \$2.4 million. Mr. Atkin identified the review criteria and the categories for these requests. An appendix detailing these requests was distributed.

Mr. Atkin presented one-time IT priorities totaling \$4.75 million, which he said may be funded by available surplus or designated reserves, and he concluded by reviewing reserve and insurance philosophy, assets, and preparedness for emergency financial needs. He proposed that the college reallocate \$1 million from available reserves or from one-time resources, to address immediate institutional priorities.

MATTERS OF CONCERN FOR FUTURE AGENDAS

None.

Adjournment

Chairman Santana declared the meeting adjourned at 6:11 p.m.

Chairman, Board of Regents

Secretary, Board of Regents