



LEE COLLEGE

FY 2027 Budget Workshop Meeting of the Board of Regents

Budget Revenue Overview

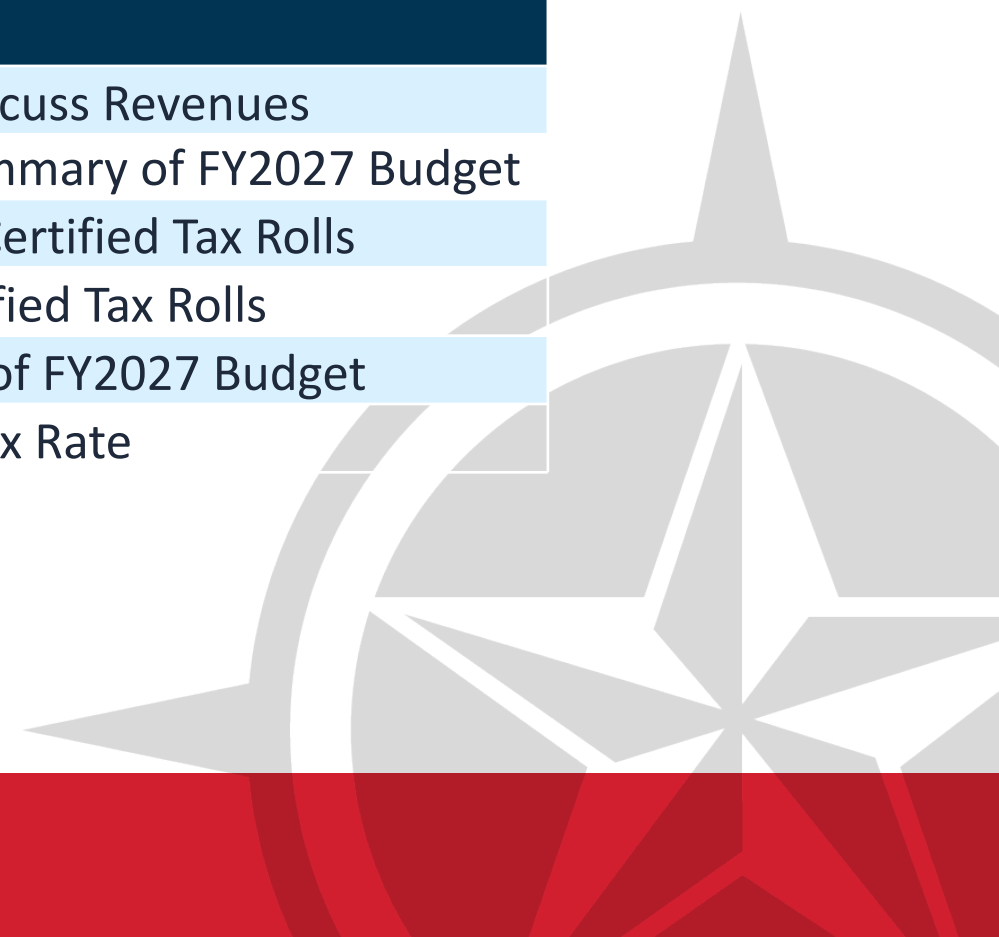
Jacob Atkin

Interim President, Chief Financial Officer & EVP, Finance & Administration

Thursday, June 18, 2026

FY2027 Budget Development Timeline

Date	Activity
June 18, 2026	2nd Budget Workshop – Discuss Revenues
July 16, 2026	3rd Budget Workshop – Summary of FY2027 Budget
July 2026	Receive Chambers County Certified Tax Rolls
August 2026	Receive Harris County Certified Tax Rolls
August 20, 2026	Board Meeting – Adoption of FY2027 Budget
September	Obtain approval for 2026 Tax Rate



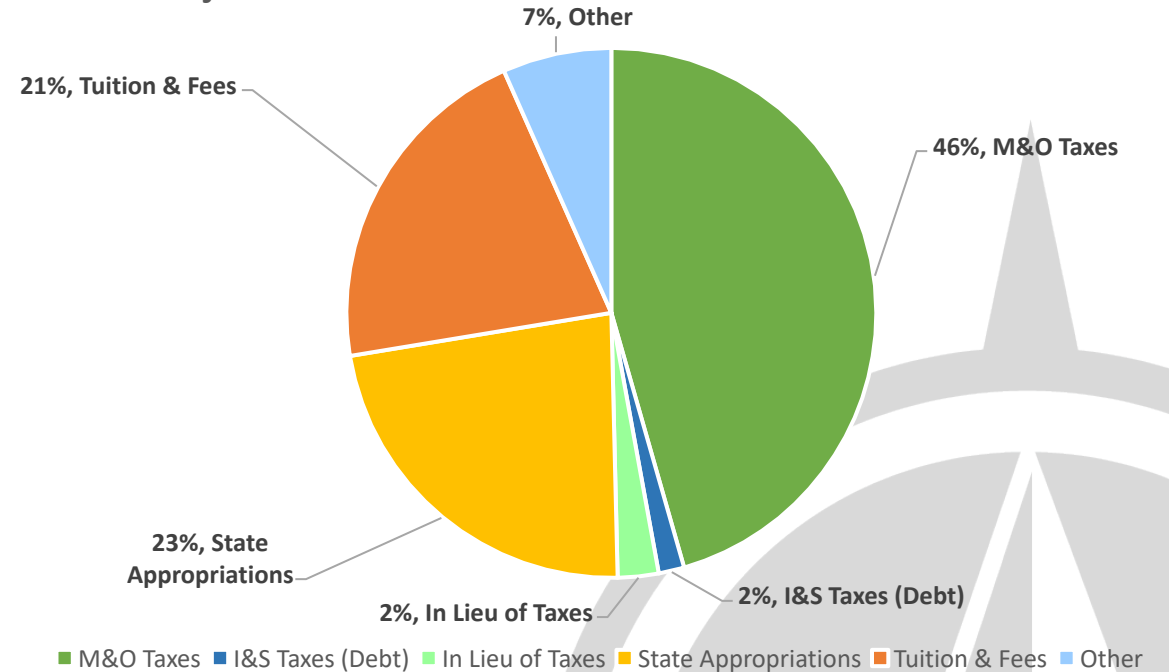


2026 Revenue Overview

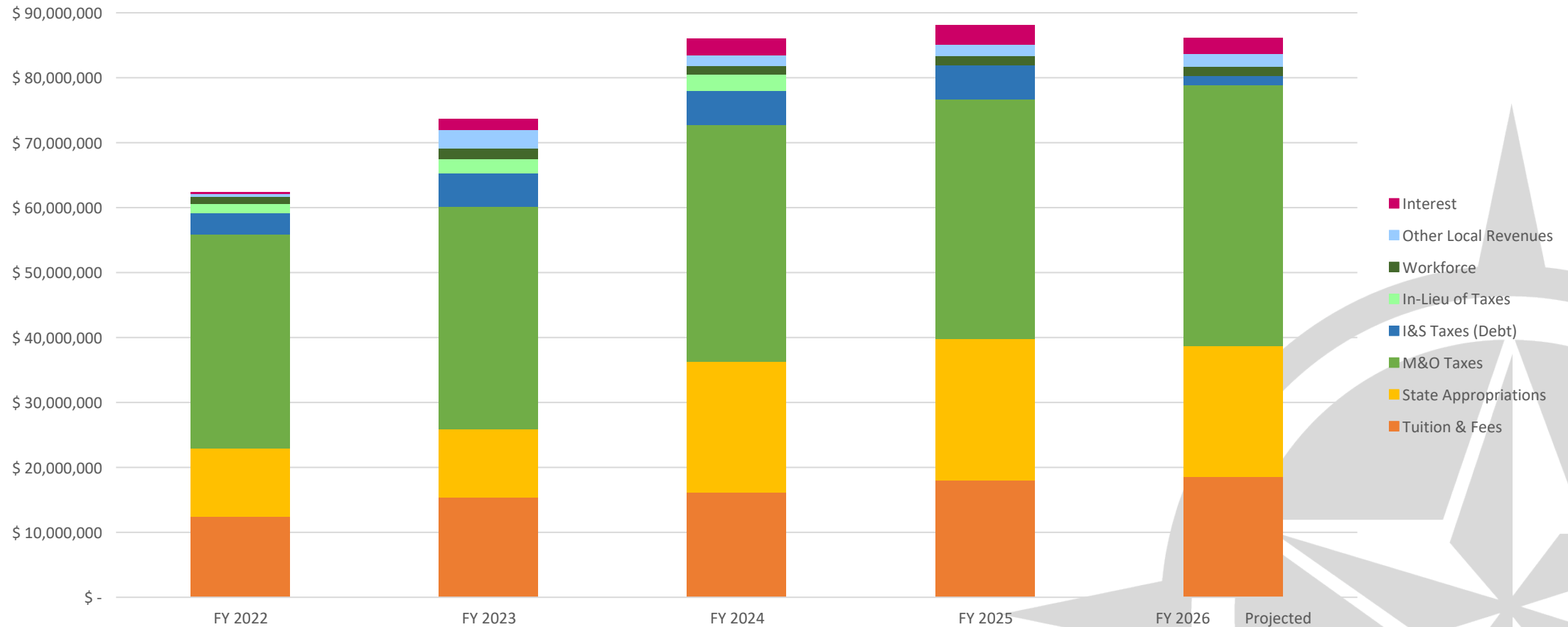
2026 Revenue Overview

Revenues	FY 2026 Budget	FY 2026 Projected Revenues	Variance	% of Budget
M&O Taxes	\$ 39,361,735	\$ 40,244,933	\$ 883,198	46%
I&S Taxes (Debt)	1,385,678	1,380,247	(5,431)	2%
In Lieu of Taxes	2,250,127	2,195,021	(55,106)	2%
State Appropriations	20,028,679	20,125,237	96,558	23%
Tuition & Fees	17,613,069	18,510,525	897,456	21%
Other	6,000,512	5,871,337	(129,175)	7%
Total Revenues	\$ 86,639,800	\$ 88,327,300	\$ 1,687,500	100%

FY 2026 Projected Revenues



Revenue Growth: Five Year Analysis





Ad Valorem Taxes

Ad Valorem Taxes Review

- The Governing Boards of all Texas community college districts are required by state law to levy annual ad valorem taxes for the maintenance and operation of district facilities (M&O taxes). They may also levy taxes to finance repayment of bond principal and interest (Interest and Sinking or I&S taxes).
- Per Texas Education Code § 130.22 various caps apply to these taxes
 - *Total tax* rate cap \$1 per \$100 property value
 - *I&S* rate cap of \$.50 per \$100 property value
- State law also mandates that each district calculate a “Voter Approval Rate.” This is the tax rate under which the same property would produce the same tax revenue plus 8% (current law). A rate that results in tax revenue any higher than 8% triggers a public election.

Ad Valorem Taxes – Five Year Analysis

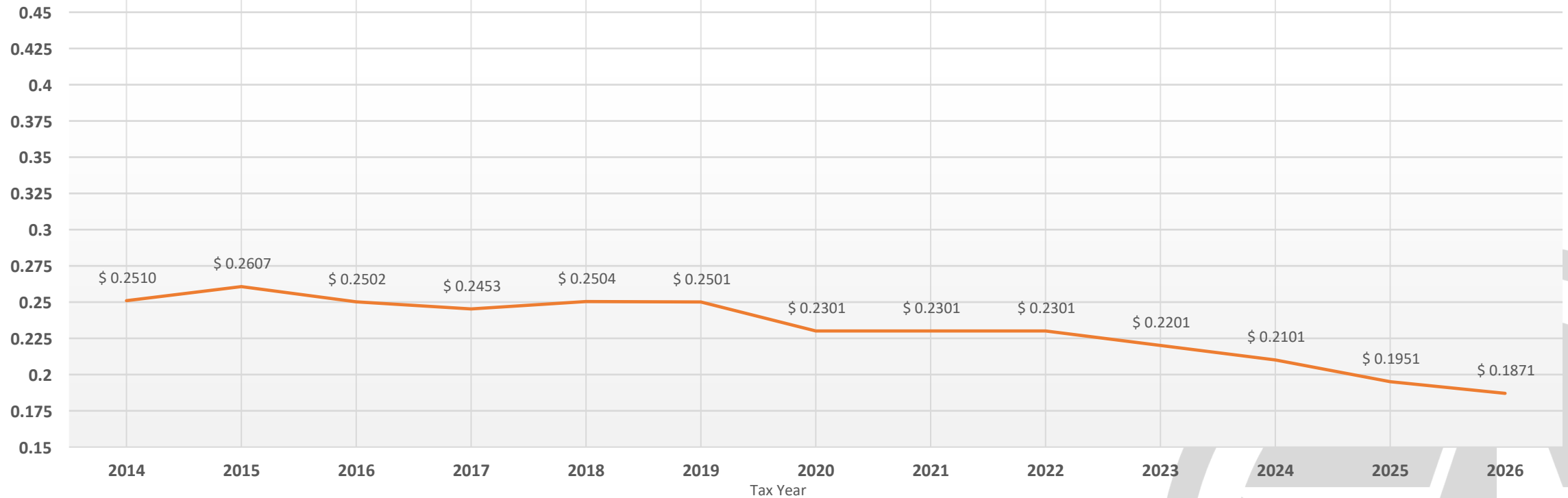
	FY 2022	FY 2023	FY 2024	FY 2025	Projected FY 2026
District Taxes - M & O	\$ 32,932,448	\$ 34,173,402	\$ 36,419,302	\$ 36,926,037	\$ 40,244,933
District Taxes - I & S	3,357,955	5,103,027	5,264,982	5,152,022	1,380,247
Revenue in Lieu of Taxes	1,349,710	2,274,966	2,463,886	2,232,490	2,195,021
Revenues Collected	\$ 37,640,113	\$ 41,551,395	\$ 44,148,170	\$ 44,310,548	\$ 43,820,201
M&O Rate	\$ 0.20850	\$ 0.19090	\$ 0.18320	\$ 0.17097	\$ 0.18081
I&S Rate	0.02160	0.02920	0.02690	0.02413	0.00625
Total Tax Rate	\$ 0.23010	\$ 0.22010	\$ 0.21010	\$ 0.19510	\$ 0.18706
% Increase/(Decrease)	0%	-4%	-5%	-7%	-4%
Defeased Debt:	\$ -	\$ -	\$ 2,000,000	\$ 2,000,000	\$ -

FY 2026 Tax Rate Comparison of Gulf Coast Community Colleges

In order by enrollment

Texas Community College	Enrollment	Fiscal Year	M&O Rate	I&S Rate	Total Rate	Ranking
Lone Star College	81,257	2026	0.0785000	0.0275000	0.1060000	8
Houston City College	49,055	2026	0.0855850	0.0132170	0.0988020	9
San Jacinto College	33,215	2026	0.1085290	0.0460860	0.1546150	5
Lee College	8,313	2026	0.1808100	0.0062500	0.1870600	3
Alvin College	5,957	2026	0.1495430	0.0070000	0.1565430	4
Wharton County Junior College	5,449	2026	0.1400000	-	0.1400000	6
College of the Mainland	5,115	2026	0.1394000	0.1244000	0.2638000	2
Brazosport College	4,252	2026	0.2526200	0.0259720	0.2785920	1
Galveston College	2,455	2026	0.1194000	-	0.1194000	7

Tax Rate Comparison FY 2014-2026



Tax Rate Comparison of Gulf Coast Community Colleges FY 2020 and FY 2026

Texas Community College	Fiscal Year	FY2020 Total Tax Rate	FY2026 Total Tax Rate	Variance	%
Houston City College	2026	\$0.100263	\$0.098802	\$(0.0015)	-1%
Lone Star College	2026	\$0.107800	\$0.106000	\$(0.0018)	-2%
Galveston College	2026	\$0.159188	\$0.119400	\$(0.0398)	-25%
Wharton County Junior College	2026	\$0.136840	\$0.140000	\$0.0032	2%
San Jacinto College	2026	\$0.169358	\$0.154615	\$(0.0147)	-9%
Alvin College	2026	\$0.183443	\$0.156543	\$(0.0269))	-15%
Lee College	2026	\$0.230100	\$0.187060	\$(0.0430)	-19%
College of the Mainland	2026	\$0.241963	\$0.263800	\$0.0218	9%
Brazosport College	2026	\$0.297866	\$0.278592	\$(0.0193)	-6%

Lee College Tax Rate History

Tax Year	Fiscal Year	Property Values	Value Increase %	No-New Rev Rate	Voter Approval Rate	Assesd M&O Rate	Assessed I&S Rate	Total Rate	% +/-	Tax Collections M&O	Tax Collections I&S	In-Lieu of Collections
2014	2015	\$9,485,981,922	4%	\$.02668	\$.02828	\$.22070	\$.04000	\$.26070	0.000%	\$ 21,179,470	\$3,848,737	\$2,245,066
2015	2016	\$10,433,916,462	10%	\$.25860	\$.27100	\$.21300	\$.03200	\$.24500	-6.022%	\$ 22,448,452	\$3,595,267	\$1,040,389
2016	2017	\$11,019,190,355	6%	\$.24530	\$.26050	\$.21300	\$.03200	\$.24500	0.000%	\$ 23,410,884	\$3,527,955	\$ 677,876
2017	2018	\$11,944,539,936	8%	\$.25040	\$.26500	\$.22050	\$.02990	\$.25040	2.204%	\$ 26,557,447	\$3,604,373	\$1,137,125
2018	2019	\$13,530,237,016	13%	\$.25010	\$.26380	\$.22410	\$.02600	\$.25010	-0.120%	\$ 31,325,219	\$3,588,224	\$1,656,593
2019	2020	\$15,882,227,958	17%	\$.22450	\$.24010	\$.21030	\$.01980	\$.23010	-7.997%	\$ 32,645,106	\$3,566,932	\$ 943,721
2020	2021	\$16,006,775,217	1%	\$.23350	\$.24710	\$.21030	\$.01980	\$.23010	0.000%	\$ 33,878,548	\$3,131,773	\$1,343,550
2021	2022	\$15,994,239,041	0%	\$.24690	\$.26500	\$.20850	\$.02160	\$.23010	0.000%	\$ 32,938,617	\$3,351,789	\$1,349,710
2022	2023	\$17,835,760,779	12%	\$.21300	\$.23800	\$.19090	\$.02920	\$.22010	-4.346%	\$ 34,172,914	\$5,103,515	\$2,274,966
2023	2024	\$19,255,477,052	8%	\$.20750	\$.22570	\$.18320	\$.02690	\$.21010	-4.543%	\$ 35,830,917	\$5,264,982	\$2,463,886
2024	2025	\$20,129,715,680	5%	\$.20657	\$.21959	\$.17097	\$.02413	\$.19510	-7.139%	\$ 36,926,037	\$5,152,022	\$2,232,490
2025	2026	\$21,640,402,218	8%	\$.19057	\$.18706	\$.18081	\$.00625	\$.18706	-4.121%	\$ 40,244,933	\$1,380,247	\$2,195,021

* Projected for FY 2025-26

2023 General Obligation Bonds

Date	Principal	Interest	Total
2/15/2027		549,375	549,375
8/15/2027	-	549,375	549,375
2/15/2028		549,375	549,375
8/15/2028	1,560,000	549,375	2,109,375
2/15/2029		510,375	510,375
8/15/2029	1,850,000	510,375	2,360,375
2/15/2030		464,125	464,125
8/15/2030	1,945,000	464,125	2,409,125
2/15/2031		415,500	415,500
8/15/2031	2,040,000	415,500	2,455,500
2/15/2032		364,500	364,500
8/15/2032	2,145,000	364,500	2,509,500
2/15/2033		310,875	310,875
8/15/2033	2,250,000	310,875	2,560,875
2/15/2034		254,625	254,625
8/15/2034	2,365,000	254,625	2,619,625
2/15/2035		195,500	195,500
8/15/2035	2,480,000	195,500	2,675,500
2/15/2036		133,500	133,500
8/15/2036	2,605,000	133,500	2,738,500
2/15/2037		68,375	68,375
8/15/2037	2,735,000	68,375	2,803,375
	\$ 21,975,000	\$ 7,632,250	\$ 29,607,250

FY 2027 Property Taxes

Tax Year 2026 Preliminary Values

	FY 2027			
	FY 2026 Certified Value	Preliminary Values (April 2026)	\$ Gain/(Loss)	% Gain/(Loss)
Chambers County	\$7,279,337,316	\$7,233,464,437	\$(45,872,879)	-0.63%
Harris County	\$14,361,064,902	\$15,325,423,060	\$964,358,158	6.72%
Total Values	\$21,640,402,218	\$22,558,887,497	\$918,485,279	4.24%

FY 2026 Property
Valuations Change
In Estimates

Board Meeting	Chambers County	Date of Estimate	Harris County	Date of Estimate
5/29/2025	\$ 6,787,408,662	4/21/2025	\$ 14,915,877,980	4/30/2025
7/24/2025	\$ 6,787,408,662	4/21/2025	\$ 14,915,877,980	4/30/2025
8/21/2025	\$ 7,448,539,246	7/17/2025	\$ 15,293,482,852	7/25/2025
9/18/2025	\$ 7,279,337,316	7/17/2025	\$ 14,361,064,902	9/5/2025
Change \$	\$491,928,654		\$(554,813,078)	
Change %	7%		-4%	

Lee College Property Tax Exemptions

Exemption Type	Exemption Amount
Local Option Homestead	20%
Local Option Over 65 or Disability	\$120,000

Property Tax Assessments are frozen for Over 65



Actual Impact to Taxpayers

5% Property Value Increase

IMPACT ON RESIDENTIAL TAXPAYER		
	TY 25 FY 26	TY 26 FY 27
Property Value	\$380,000	\$399,000
20% Exemption	\$(76,000)	\$(79,800)
Taxable Value	\$304,000	\$319,200
Tax Rate	\$0.18706	\$0.18706
Property Tax Bill	\$569	\$597
Amount Increase/(Decrease) to Taxpayer		\$28
Taxpayer Over 65		\$373
Net Impact of \$.01 change		\$31.92

*Data USA: \$380,000 - median home value in 2026

**5% increase in value for Tax Year 2026/FY 2027

IMPACT ON COMMERCIAL TAXPAYER		
	TY 25 FY 26	TY 26 FY 27
Property Value	\$10,000,000	\$10,500,000
Taxable Value	\$10,000,000	\$10,500,000
Tax Rate	\$0.18706	\$0.18706
Property Tax Bill	\$18,706	\$19,641
Amount Increase/(Decrease) to Taxpayer		\$935
Net Impact of \$.01 change		\$1,050.00

Actual Impact to Lee College 5% Property Value Increase

IMPACT ON LEE COLLEGE		
	TY 24 FY 25	TY 24 FY 25
Taxable Value	\$21,640,402,218	\$22,558,887,497
Tax Rate	\$0.18706	\$0.18706
Property Tax Revenues	\$40,480,536	\$42,198,655
Net Impact of \$.01 change		\$2,255,889



State Appropriations

State Appropriations Gulf Coast Comparison

Institution	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Per Student
Alvin College	\$7,772,636	\$7,587,622	\$7,587,621	\$9,526,054	\$10,739,862	\$11,206,929	\$1,881
Brazosport College	\$5,490,394	\$5,234,984	\$5,234,982	\$6,663,283	\$7,209,949	\$7,029,130	\$1,653
College of the Mainland	\$6,533,436	\$6,649,121	\$6,649,121	\$7,738,496	\$7,911,726	\$8,400,120	\$1,642
Galveston College	\$4,608,370	\$4,799,136	\$4,799,136	\$4,871,133	\$5,152,193	\$5,220,967	\$2,127
Houston City College	\$68,595,228	\$62,399,717	\$62,399,716	\$62,670,854	\$67,606,609	\$70,186,155	\$1,431
Lee College	\$10,426,820	\$10,510,561	\$10,510,560	\$20,169,021	\$21,827,235	\$20,125,237	\$2,421
Lone Star College	\$78,657,932	\$82,949,101	\$82,949,099	\$97,794,246	\$113,757,564	\$110,710,225	\$1,362
San Jacinto College	\$42,079,966	\$41,307,655	\$41,307,653	\$54,995,750	\$56,745,926	\$55,754,476	\$1,679
Wharton County Junior College	\$9,645,283	\$9,305,255	\$9,305,255	\$9,305,255	\$10,488,404	\$10,668,447	\$1,958

Outcomes-Based Funding Model

Outcomes-Based Funding Model (HB 8)

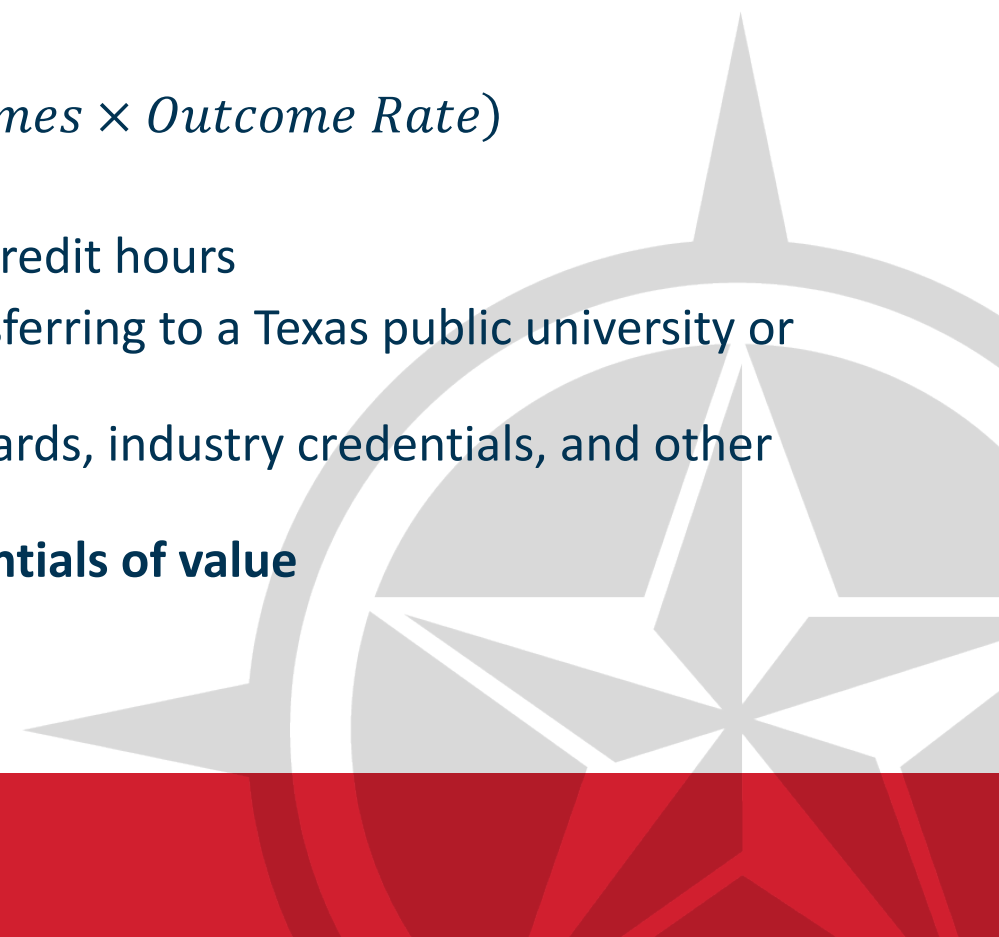
1. Performance Tier Funding (Primary State Funding)

Funding Formula

$$\text{Performance Funding} = \sum (\text{Weighted Outcomes} \times \text{Outcome Rate})$$

Fundable Outcomes

- **Dual Credit:** High school students completing 15+ semester credit hours
- **Transfer/Co-Enrollment:** Students earning 15+ SCH and transferring to a Texas public university or participating in structured co-enrollment
- **Credentials Awarded:** Degrees, certificates, occupational awards, industry credentials, and other approved workforce credentials
- Additional funding for **high-demand fields** and certain **credentials of value**



Performance Tier Awards

Performance Tier Inputs	Standard Value	High-Demand Field Value
<i>Dollars per Weighted Outcome Completion</i>		
15 SCH Dual Credit	\$3,500	N/A
GAI Transfer with 15 SCH	\$3,500	N/A
GAI Co-enrollment with 15 SCH	\$3,500	N/A
Institutional Credential leading to Licensure or Certification (ICLC)	\$1,000	\$1,250
Occupational Skills Award	\$1,000	\$1,250
Certificate	\$1,750	\$3,500
Advanced Technical Certificate (ATC)	\$1,750	\$3,500
Certificate Credential of Value Premium	\$437	N/A
Associate Degree	\$3,500	\$4,500
Associate Degree Credential of Value Premium	\$875	N/A

Outcome Completion Weights

Student Group	Additional Weight (FY26)	Additional Weight (FY27)
Economically Disadvantaged (Pell)	+25%	+20%
Academically Disadvantaged (Not TSI Ready)	+25%	+20%
Adult Learners (Age 25+)	+50%	+40%

Funding Update

Funding is now limited to one credential per category per student within a five-year window.

Outcome Rate with Weights (Example)

Credential of Value: AA Degree

Funding Component	FY26	FY27
Standard Value	\$3500	\$3500
Economically Disadvantaged	\$875	\$700
Academically Disadvantaged	\$875	\$700
Age 25+	\$1750	\$1400
Total Per Student	\$7000	\$6300

High Demand Field: AA Degree

Funding Component	FY26	FY27
Standard Value	\$4500	\$4500
Economically Disadvantaged	\$1125	\$900
Academically Disadvantaged	\$1125	\$900
Age 25+	\$2250	\$1800
Total Per Student	\$9000	\$8100

Estimates for FY27 (Pro-Rated)

Institution	FY26 Total Foundational Payment	FY27 Total Foundational Payment	Total Difference (FY27-FY26)	FY27-FY26 % Change
Alvin College	\$11,252,077	\$9,806,958	\$(1,445,119)	(12.8%)
Brazosport College	\$7,058,289	\$6,131,266	\$(927,023)	(13.1%)
College of the Mainland	\$8,433,849	\$7,650,286	\$(783,563)	(9.3%)
Galveston College	\$5,242,163	\$4,448,955	\$(793,208)	(15.1%)
Houston City College	\$70,468,299	\$61,779,372	\$(8,688,927)	(12.3%)
Lee College*	\$20,191,528	\$ 16,182,545	\$(4,008,983)	(19.9%)
Lone Star College	\$111,175,368	\$118,025,198	\$6,849,830	6.2%
San Jacinto College	\$54,440,166	\$50,194,520	\$(4,245,646)	(7.8%)
Wharton County Junior College	\$10,711,988	\$9,105,394	\$(1,606,594)	(15.0%)



Tuition & Fees

Tuition and Fees – Five Year Analysis

REVENUES	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026 Projected
Tuition-Resident In- District	\$ 5,023,691	\$ 4,961,245	\$ 5,719,502	\$ 5,760,926	\$ 5,424,277	\$ 5,030,791
Tuition-Out of District	3,944,485	3,923,328	4,026,431	4,087,006	4,221,944	4,505,091
Tuition-Non-Resident	267,163	306,167	456,270	428,045	398,993	562,782
Tuition -Dual Credit	847,375	1,041,375	1,144,625	1,606,725	2,358,059	2,543,782
Tuition Waivers	(1,444,398)	(1,668,886)	(1,705,845)	(1,709,283)	(1,423,317)	(891,230)
myBooks Waivers	-	-	-	(387,349)	(212,289)	(394,627)
TPEG Transfers-Resident	(412,256)	(400,156)	(406,627)	(620,429)	(716,636)	(732,745)
TPEG Transfers-Non-Resident	(16,045)	(18,397)	(27,384)	(25,860)	(23,940)	(66,177)
Repeat Course Fee	158,950	165,155	148,325	156,485	153,170	137,703
Student Service Fees	274,183	262,047	275,103	261,414	251,309	254,587
Registration Fees	578,788	552,946	579,786	545,219	523,223	528,841
General Use Fee	1,952,607	1,859,545	1,960,759	1,894,373	1,815,948	1,856,130
myBooks Fees	-	-	1,600,429	2,096,762	3,116,242	2,996,631
International Education Fee	22,739	21,763	22,807	21,514	20,665	20,854
Laboratory Fees	606,652	475,058	483,029	462,565	494,522	621,099
Learning Technology Fee	568,585	544,023	570,336	537,818	516,620	521,373
Re-Entry Fee Huntsville	-	-	-	397,530	382,770	351,546
Student Telehealth Services	-	-	124,738	171,600	222,563	227,064
Refund -Student Fees	13	1,367	0	(681)	(425)	1,106
Other Student Fees	328,392	381,052	460,263	444,857	470,453	435,925
Total Tuition and Fees	\$ 12,700,923	\$ 12,407,632	\$ 15,432,547	\$ 16,129,237	\$ 17,994,151	\$ 18,510,525

Tuition & Fees – Gulf Coast Colleges

Spring 2026 Tuition & Fees by Student Type												
Institution	In-District Resident				Out-of-District				Non-Resident			
	Tuition	Fees	Total	Total per	Tuition	Fees	Total	Total per	Tuition	Fees	Total	Total per
	(12 SCH)	(12 SCH)	(12 SCH)	SCH	(12 SCH)	(12 SCH)	(12 SCH)	SCH	(12 SCH)	(12 SCH)	(12 SCH)	SCH
Alvin College	\$953	\$341	\$1,294	\$107.83	\$1,565	\$341	\$1,906	\$158.83	\$2,201	\$341	\$2,542	\$211.83
Brazosport College	\$780	\$606	\$1,386	\$115.50	\$1,188	\$606	\$1,794	\$149.50	\$1,836	\$606	\$2,442	\$203.50
College of the Mainland	\$924	\$0	\$924	\$77.00	\$1,380	\$0	\$1,380	\$115.00	\$1,656	\$0	\$1,656	\$138.00
Galveston College	\$672	\$439	\$1,111	\$92.58	\$672	\$727	\$1,399	\$116.58	\$1,764	\$727	\$2,491	\$207.58
Houston City College	\$396	\$624	\$1,020	\$85.00	\$1,452	\$720	\$2,172	\$181.00	\$1,812	\$918	\$2,730	\$227.50
Lee College	\$708	\$784	\$1,492	\$124.33	\$1,566	\$784	\$2,350	\$130.50	\$1,776	\$784	\$2,560	\$213.33
Lone Star College	\$1,332	\$30	\$1,362	\$113.50	\$2,988	\$30	\$3,018	\$251.50	\$3,756	\$30	\$3,786	\$315.50
San Jacinto College	\$996	\$0	\$996	\$83.00	\$1,720	\$0	\$1,720	\$143.33	\$2,676	\$0	\$2,676	\$223.00
Wharton County Junior College	\$384	\$1,344	\$1,596	\$133.00	\$384	\$2,016	\$2,328	\$194.00	\$1,008	\$2,016	\$2,952	\$246.00
Community College State Average	\$792	\$511	\$1,303	\$108.58	\$1,232	\$827	\$2,059	\$171.57	\$1,952	\$834	\$2,786	\$232.19

Source: TACC FY2026 Local Revenues Data Request and college posted tuition and fees

\$91.17/SCH when myBooks fee is excluded



Other Revenues

Other Revenues – Five Year Analysis

REVENUES	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026 Projected
Workforce/CE Revenues	671,242	1,061,794	1,649,703	1,377,166	1,404,515	1,407,404
Other Revenues	4,146,124	536,637	2,830,554	1,645,703	1,784,762	2,012,884
	\$ 4,817,366	\$ 1,598,431	\$ 4,480,257	\$ 3,022,869	\$ 3,189,277	\$3,420,288

OTHER REVENUES

Recovery of Indirect Costs	Gate Receipts
Miscellaneous Income	Miscellaneous Income
Duplicate Receipts	Sales-Discounts
Grant Admin Allowance	Campus Store
Gifts	Commissions-Vending
Rental Fees-Campus Facilities	Sales-Discounts
Sales and Services-Cosmetology	Sales-Cash Sales
Box Office Receipts	Food Sales
Housing Cost	Returned Check Fees
Miscellaneous Income	Rental Fees-Campus Facilities

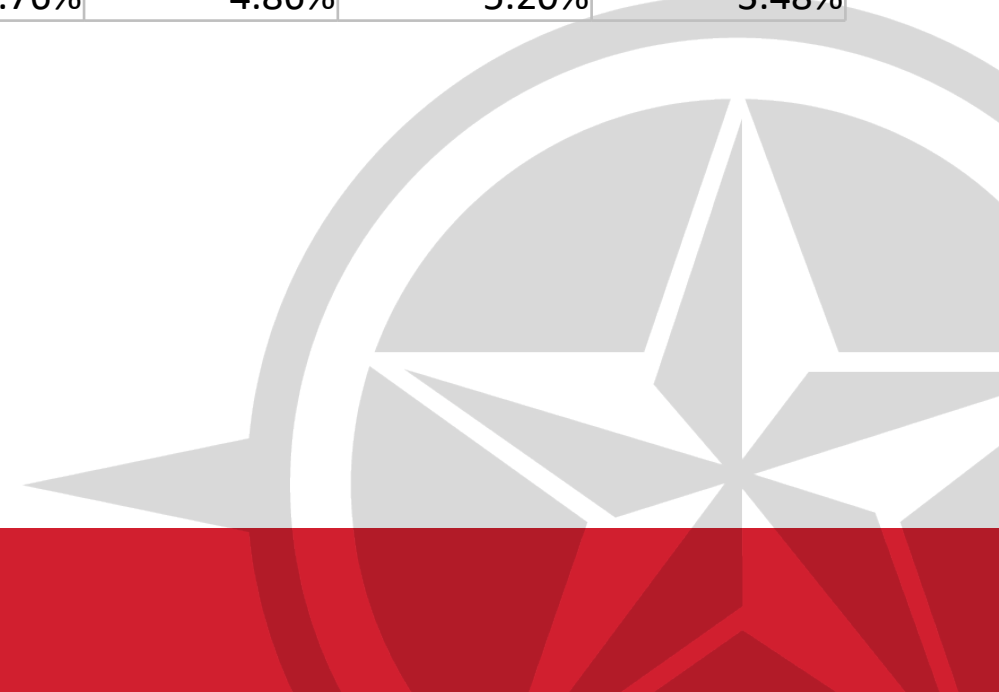
WORKFORCE REVENUE SOURCES

W&CD-Leisure Learning	W&CD Other Contract Training
W&CD - Travel Program	Healthcare Open Enrollment
W&CD - Kids at College	Industrial Open Enrollment
W&CD - Advanced Tech Trng	W&CD Fieldbus
W&CD Indust. Contract Training	

Interest Income – Five Year Analysis

Rate of Return

REVENUES	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026 Projected
Interest Income	\$379,158	\$44,604	\$234,260	\$1,706,696	\$2,595,035	\$3,044,198	\$2,451,049
Amount Invested	\$25,751,544	\$37,506,224	\$46,993,120	\$45,388,359	\$53,404,383	\$58,519,441	\$70,488,696
Rate of Return	1.47%	0.12%	0.50%	3.76%	4.86%	5.20%	3.48%



Conclusion

Revenues	FY 2026 Budget	FY 2026 Projected Revenues	Variance	% of Budget	FY 2027 Recommended Revenue Budget	Difference FY 26 vs FY 27
M&O Taxes	\$ 39,361,735	\$ 40,244,933	\$ 883,198	46%	\$ 40,138,352	\$ 776,617
I&S Taxes (Debt)	1,385,678	1,380,247	(5,431)	2%	1,125,003	(260,675)
In Lieu of Taxes	2,250,127	2,195,021	(55,106)	2%	2,200,000	(50,127)
State Appropriations	20,028,679	20,125,237	96,558	23%	16,182,545	(3,846,134)
Tuition & Fees	17,613,069	18,510,525	897,456	21%	17,743,570	130,501
Other	6,000,512	5,871,337	(129,175)	7%	5,900,438	(100,074)
Total Revenues	\$ 86,639,800	\$ 88,327,300	\$ 1,687,500	100%	\$ 83,289,908	\$ (3,349,892)



Closing and Q&A