FY 2027 Budget Workshop Meeting of the Board of Regents

LEE COLLEGE

Jacob Atkin
President

Thursday, July 23, 2026

1

FY2027 Budget Development Timeline

Date	Activity
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

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2

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Proposed Revenues

3

Proposed 2027 Revenues

	FY 2026 Adopted Budget	FY 2027 Proposed Budget	Variance
Revenues			
District Taxes - M&O Current Year	$ 39,361,735	$ 40,138,352	$ 776,617
District Taxes - M&O Prior Year	$ -	$ 650,000	650,000
District Taxes - I&S	1,385,678	1,125,002	(260,676)
In-Lieu Of (FTZ)	2,250,127	2,200,000	(50,127)
State Appropriations	20,028,679	16,182,545	(3,846,134)
Tuition & Fees	17,613,069	17,743,714	130,645
Workforce	1,500,000	1,500,000	-
Other Revenues	1,900,512	1,900,512	-
Interest Income	2,600,000	2,500,000	(100,000)
Total Revenues	**$ 86,639,800**	**$ 83,940,125**	**$ (2,699,675)**

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4

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Ad Valorem Tax Revenues

5

FY 2027 Property Taxes
Tax Year 2026 Preliminary Values

	FY 2026 Certified Value	FY 2027 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%	

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6

Proposed Ad Valorem Tax Revenues

		FY 2026 Adopted Budget		FY 2027 Proposed Budget		Variance
District Taxes - M&O Current Year	$	39,361,735	$	40,138,352	$	776,617
District Taxes - M&O Prior Year		-		650,000		650,000
District Taxes - I&S		1,385,678		1,125,002		(260,676)
In Lieu-Of (FTZ)		2,250,127		2,200,000		(50,127)
Total Revenues	**$**	**42,997,540**	**$**	**44,113,354**	**$**	**1,115,814**

Proposed Tax Rate

Maintnenance & Operations (M&O)	$	0.18081	$	0.18196	$	0.00115
Interest & Sinking (I&S)		0.00625		0.00510		(0.00115)
	$	**0.18706**	**$**	**0.18706**	**$**	**-**

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7

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State Appropriations

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8

State Appropriations

	FY 2026 Adopted Budget	FY 2027 Proposed Budget	Difference FY26 vs FY27
State Appropriations	$ 20,028,679	$ 16,182,545	$ (3,846,134)
	$ 20,028,679	**$ 16,182,545**	**$ (3,846,134)**

Major Changes:
- One credential of value per category per student for five years
- 20%/20%/40% Weights
- Proration

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9

Estimates for FY27 (Pro-Rated)

Institution	FY26 Total Foundational Payment	FY27 Total Foundational Payment	Total Difference (FY26-FY27)	FY26-FY27 % 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%)

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10

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Tuition & Fees

11

Tuition

	FY 2026 Adopted Budget	FY 2027 Proposed Budget	Difference FY26 vs FY27
Tuition-Resident In- District	$ 5,100,000	$ 5,100,000	$ -
Tuition-Out of District	4,220,000	4,220,000	-
Tuition-Non-Resident	436,644	436,644	-
Tuition -Dual Credit	2,100,000	2,100,000	-
Tuition Waivers	(1,300,000)	(1,000,000)	300,000
myBooks Waivers	(250,000)	(300,000)	(50,000)
TPEG Transfers-Resident	(595,836)	(625,200)	(29,364)
TPEG Transfers-Non-Resident	(26,199)	(116,190)	(89,991)
	$ 9,684,609	$ 9,815,254	$ 130,645

- Tuition Waivers and myBooks Waivers - Adjusted to current year actuals.
- TPEG Transfers - Resident – Actual calculations based on 6% of projected revenues for In District, Out of District, Dual Credit and Tuition Waivers.
- TPEG Transfers - Resident – Actual calculations based on 6% projected revenues for Non-Resident and Workforce Revenues.
- Lost Huffman Dual Credit (Approx. 165 – 180 students)
- Added Academic Associate Program (AA) (Approx. 150 – 200 students per semester)

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12

Fees

	FY 2026 Adopted Budget	FY 2027 Proposed Budget	Difference FY25 vs FY26
Repeat Course Fee	158,950	158,950	-
Student Service Fees	265,000	265,000	-
Registration Fees	551,650	551,650	-
General Use Fee	2,013,065	2,013,065	-
myBooks Fees	2,800,000	2,800,000	-
International Education Fee	21,750	21,750	-
Laboratory Fees	494,300	494,300	-
Learning Technology Fee	542,600	542,600	-
Re-Entry Fee Huntsville	400,000	400,000	-
Student Telehealth Services	222,300	222,300	-
Other Student Fees	458,845	458,845	-
	$ 7,928,460	$ 7,928,460	$ -

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13

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Other Revenues

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14

Other Revenues

	FY 2026 Adopted Budget	FY 2027 Proposed Budget	Difference FY26 vs FY27
Workforce/CE Revenues	$ 1,500,000	$ 1,500,000	$ -
Other Revenues	1,900,512	1,900,512	-
Interest Income	2,600,000	2,500,000	(100,000)
	$ 6,000,512	$ 5,900,512	$ (100,000)

- Interest Income is adjusted based on current-year actual revenues

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 Training	W&CD Fieldbus
W&CD Industrial Contract Training	

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15

Proposed 2027 Revenues

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Workforce	1,500,000	1,500,000	-
Other Revenues	1,900,512	1,900,512	-
Interest Income	2,600,000	2,500,000	(100,000)
Total Revenues	**$ 86,639,800**	**$ 83,940,125**	**$ (2,699,675)**

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16

Proposed Expenses

17

Proposed FY 2027 Expenses

		FY 2026 Adopted Budget		FY 2027 Proposed Budget		Variance
Expenses						
Salaries & Benefits	$	51,485,665	$	51,301,940	$	(183,725)
Operating		31,014,915		28,967,320		(2,047,595)
Debt - Bonds		2,904,002		2,667,006		(236,996)
Debt - Lease		1,235,218		1,325,554		90,336
Total Expenses	**$**	**86,639,800**	**$**	**84,261,820**	**$**	**(2,377,980)**

18

Salaries

	FY 2026 Adopted Budget	FY 2027 Proposed Budget	Difference FY26 vs FY27
Salaries-Faculty	$ 14,366,430	13,584,665	$ (781,765)
Salaries-Faculty PT/Overload	4,415,530	4,584,580	169,050
Overtime	223,000	218,600	(4,400)
Stipends	1,208,234	913,796	(294,438)
Salaries-Administrative	13,619,047	13,825,845	206,798
PT Salaries-Administrative	111,000	201,431	90,431
Salaries-Classified Staff	4,160,636	4,170,170	9,534
PT Salaries-Classified Staff	1,160,591	1,198,481	37,890
Salaries-Service Staff	3,167,191	3,048,610	(118,581)
PT Salaries-Service Staff	295,914	295,111	(803)
Salaries-Student Assistants	207,000	257,000	50,000
Total Salaries	**$42,934,573**	**$ 42,298,289**	**$ (636,284)**

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19

Benefits

	FY 2026 Adopted Budget	FY 2027 Proposed Budget	Difference FY26 vs FY27
Employer Medicare	$ 549,305	$ 576,520	$ 27,215
FICA	1,999,510	2,109,600	110,090
OBRA Admin Costs	6,500	-	(6,500)
Group Insurance-Staff	3,921,680	4,219,641	297,961
Workers Compensation	130,000	130,000	-
Educational Assistance	50,000	50,000	-
Unemployment Compensation Ins	45,000	45,000	-
State Retirement Match	1,395,651	1,433,140	37,489
ORP Contributions (1.19%)	358,696	300,000	(58,696)
Retirement-New Member Surcharg	75,000	120,000	45,000
Employee Assistance Plan	19,750	19,750	-
Total Benefits	**$ 8,551,092**	**$ 9,003,651**	**$ 452,559**

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20

Salary & Benefits Changes

Salary & Benefit Increase/(Decreases)	$ Amount
COLA Adjustments of 3%	$ 1,096,326
Group Insurance - 8% mandated increase and other Benefits Increased	452,199
Vacancy Savings - Increased to 8%	(270,094)
Eliminated Positions	(1,659,162) [1]
New Positions and Position Changes Since Budget Adoption	445,843 [2]
Decrease in Stipends and Overtime	(298,837)
Increase in Student Assistants Salaries	50,000
Total Salary & Benefits Increase/(Decreases)	**$ (183,725)**

1 See Appendix Page A1
2 See Appendix Page A2

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21

Other Operating

	FY 2026 Adopted Budget	FY 2027 Proposed Budget	Difference FY26 vs FY27
Computer Software	$ 4,533,706	$ 4,427,698	$ (106,008)
Contract Services	5,034,035	5,121,765	87,730
Legal Fees	150,000	150,000	-
Instruction Contract Services	575,000	553,500	(21,500)
Libiability/Property Insurance	1,513,000	713,000	(800,000)
Repairs/Maintenance	3,498,615	3,448,315	(50,300)
Scholarships	2,101,843	1,850,543	(251,300)
Student Activities	114,500	134,800	20,300
Student Basic Needs	354,000	285,000	(69,000)
Travel/Professional Deveopment	1,442,156	1,006,625	(435,531)
Other Operating	8,196,549	7,774,210	(422,339)
Non-Capitalized Equpment	687,269	678,945	(8,324)
IT Equipment	220,000	220,000	-
Equipment	105,000	85,000	(20,000)
Utilities	1,989,242	2,017,919	28,677
Contingency	500,000	500,000	-
Total Other Operating	**$31,014,915**	**28,967,320**	**$ (2,047,595)**

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22

Other Operating Changes

Operating Expense Increases/(Decreases)		$ Amount
Increased:		
Contract Services	$	87,730
Student Activities		$20,300
Utilities		$28,677
Decreased:		
Equipment & Non-Cap Equipment		($28,324)
Insrtruction Contract Services		($21,500)
Repairs & Maintenance		($50,300)
Student Basic Needs		($69,000)
Scholarships		($251,300)
Travel (Limited to Local and Required Travel)		($435,531)
Computer Software		($106,008)
Eliminated the Insurance Reserve Payment		($800,000) [3]
Decreased Other Operating Expenses		($422,339) [4]
Total Other Operating Increases/(Decreases)	$	(2,047,595)

3 See Appendix Page A3

4 See Appendix Page A4

Scholarships Reduced ($251,300):

- Student Ambassadors
- Learning Frameworks
- Student Basic Needs (Child-Care)
- Academic Affairs *(Funds were originally budgeted for scholarship contingency)*
- Huntsville - MyBooks

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23

Bonds and Capital Lease Expenses

	FY 2026 Adopted Budget	FY 2027 Proposed Budget	Difference FY26 vs FY27
G.O. Bond Principal	$ 135,000	$ -	$ (135,000)
G.O. Bond Interest	1,199,500	1,098,750	(100,750)
Revenue Bond Principal	1,130,000	1,165,000	35,000
Revenue Bond/ Other Interest Paid	429,037	392,791	(36,246)
Other Debt Costs	10,465	10,465	-
Capital Lease - Energy Mgmnt Project	1,207,135	1,242,408	35,273
Capital Lease - Equipment	28,083	83,146	55,063
Total Bonds and Capital Leases	$ 4,139,220	$ 3,992,560	$ (146,660)

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24

Bonds and Capital Lease Changes

Debt Expense Increases/(Decreases)	$ Amount
GO Bonds	$ (235,750)
Revenue Bonds	(1,246)
Capital Lease payment increase in principal due	90,336
Total Debt Increases/(Decreases)	**$ (146,660)**

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25

Proposed FY 2027 Expenses

	FY 2026 Adopted Budget	FY 2027 Proposed Budget	Variance
Expenses			
Salaries & Benefits	$ 51,485,665	$ 51,301,940	$ (183,725)
Operating	31,014,915	28,967,320	(2,047,595)
Debt - Bonds	2,904,002	2,667,006	(236,996)
Debt - Lease	1,235,218	1,325,554	90,336
Total Expenses	**$ 86,639,800**	**$ 84,261,820**	**$ (2,377,980)**

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26

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Capital Projects Update

27

CAPITAL PROJECTS UPDATE – FY 2026

(as of 7/21/2026)

Department	Budgeted Amount	Revised Amount	Total Expenses & Encumbered	Budget Remaining
Bookstore Total	$ 24,000	$ 24,000	$ 10,649	$ 13,351
Advanced Training Total	$ 125,000	$ 125,000	$ -	$ 125,000
Information Technology Total	$ 1,007,000	$ 1,007,000	$ 597,905	$ 409,095
Shipping & Receiving Total	$ 22,000	$ 22,000	$ 18,897	$ 3,103
Facilities Total	$ 7,336,891	$ 7,336,891	$ 1,509,924	$ 5,826,968
Emergency Management Total	$ 1,056,170	$ 1,056,170	$ 681,446	$ 374,724
Grand Total	$ 9,571,061	$ 9,571,061	$ 2,818,821	$ 6,752,241

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28

ADMINISTRATION REQUESTS FOR SURPLUS

Administration is proposing to allocate $4 million from the surplus funds to support one-time capital requests and Information Technology (IT) capital initiatives. The total surplus available includes an estimated $4 million from the current fiscal year FY 2026 and approximately $1 million from the current year FY 2026 Capital Projects Fund.

Surplus Funds (FY 26)			Amount
Balance of Surplus from FY 2026 (Estimated)			$ 4,000,000
Reallocated Funds available from FY 2026 Cap Projects			$ 1,015,000
Total Surplus Funds Available			$ 5,015,000
Surplus Funds Requests for:			
One-Time Capital Requests - Information Technology	$	4,995,000	
One-Time Capital Requests - Arena	$	20,000	
Total Projects & One-Time Capital Requests			**$ 5,015,000**
Balance of Surplus Funds After Administration Requests			$ -

29

ONE-TIME CAPITAL PURCHASES
FUNDED BY SURPLUS FUNDS

Department	Description	Requests	Notes
Information Technology	Cisco network infrastructure (117 end of life switches)	$ 3,335,600	
Information Technology	110 Classrooms-Laser Projectors & 17 Classrooms - Audio Equipment, labor & commission & install	270,600	ATC,BH,GYM,JBH,Liberty, MCH, PAC,SB & TV bldgs.
Information Technology	Student Center E212 & 211A Hy-Flex (formally Covesto)	75,000	
Information Technology	Library Student Loaner Laptop Program - Device replacement	525,000	
Information Technology	Cisco Telepresence Replacement End of life Gym-131	17,800	
Information Technology	Brightsign & digital signage display project	21,000	JBH, TV1 1st & 2nd floors, McNair
Information Technology	ERP - Workday	750,000	
Arena Concessions	Vent-A-Hood for Arena Kitchen	20,000	
	Total Surplus Funds Requested	**$ 5,015,000**	

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30

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Appendix

31

Eliminated Positions
A1

Department Name	Position	Salary
Administrative Support Service	Executive VP/Chief Operations Officer	$ 222,707
Physical Plant Administration	Director, Physical Plant	102,752
Security	Security Officer, Commissioned	38,432
Building Maintenance-Campus	HVAC Technician	67,600
Building Maintenance-Campus	Painter	51,428
Custodial Services	Custodian	34,877
Athletic Administration	Assistant Coach	37,942
Liberty Center	Services Coordinator, LCEC	62,027
Liberty Center	FT Faculty	67,763
Industrial Cross Credit	Operations Specialist	20,846
Biological Science-Campus	FT Faculty - Biology	84,206
Biological Science-Campus	FT Faculty - Biology	88,144
Business Mgt-Campus	LOA	66,683
TECA Education	FT Faculty - Early Childhood	67,600
Forensics	Manager of Grants/Asst Debate Coach	35,668
English and Humanities	FT Faculty - Eng & Humanities	81,672
Mathematics	FT Faculty - Mathematics	80,934
Physical Science-Campus	FT Faculty - Physics	72,800
Associate Degree Nursing	FT Faculty - ADN Nursing	72,800
Process Technology -Campus	FT Faculty - Process Technolog	67,600
Computer Maintenance	FT Faculty - Comp Main/Network	56,636
Cabinet Making - Ellis HC/LC	FT Faculty - Cabinet Making	91,517
Information Technology	Director, AV & Technical Support Svcs.	86,528
TOTAL ELIMINATED POSITIONS		$ 1,659,162

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32

New Positions
A2

Department Name	Position	Salary
Enrollment Management	Executive Director, Enrollment Svcs.	$ 120,000
Counseling Center- Huntsville	Advisor	62,000
Phys Science - Huntsville	FT Faculty - Science	74,000
Social Science - Huntsville	FT Faculty - Govt/History	74,000
Air Conditioning - Huntsville (Plane	FT Faculty - HVAC	72,000
CDL Open Enrollment	FT Faculty - CDL Truck Driving	66,684
TOTAL NEW POSITIONS		**$ 468,684**

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33

Reserve Requirements
A3

	FY 2022	FY2023	FY2024	FY2025	FY2026 (as of 7.22.26)
Insurance Reserve	$ 1,337,203	$ 1,372,040	$ 3,067,477	$ 3,152,833	$ 4,311,014
Capital Asset Reserve	$ 1,781,339	$ 1,850,145	$ 1,730,813	$ 1,733,573	$ 1,776,951
Board Operating Reserve	$ 20,275,397	$ 20,492,310	$ 26,052,257	$ 26,412,852	$ 29,171,250
Total Board Reserve	$ 23,393,939	$ 23,714,495	$ 30,850,546	$ 31,299,258	$ 35,259,215

Board Policy states 4 to 6 months of operating expenses

CALCULATION WITHOUT GO DEBT PAYMENTS

Amount per month	4 months	5 months	6 months
$ 6,930,256	$ 27,721,023	$ 34,651,279	$ 41,581,535
Current Board Operating Reserve as of 7.22.26 FY 26	$ 35,259,215	$ 35,259,215	$ 35,259,215
Additional Reserves needed to meet policy	$ 7,538,192	$ 607,936	$ (6,322,320)

FY 2027 Budget Expense Projections	$ 84,261,820
FY 2027 GO Debt Payments (-)	(1,098,750)
Total Recommended FY 2027 Budget	$ 83,163,070
Total Expenditures / 12 months	6,930,255.83
Total Required to Meet 4 Mos Req.	**$ 27,721,023**

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34

Other Operating Changes
A4

Category		Amount
Advertising	$	(34,000)
Audit Fees		1,990
CE-TEST/BOOKS		(53,100)
CGS-Miscellaneous (Bookstore)		(100,000)
CGS-Print Shop		(5,000)
Classroom Supplies		77,740
Computerized Testing		(2,000)
Food		(11,000)
Institutional Memberships		(4,461)
Library Books		(10,000)
Library Electronic Database		(43,916)
Other Cost		13,475
Overhead/Indirect Charges		21,000
Postage		(3,400)
Promotional Items		(165,890)
Public Relations		1,700
Rental		39,000
Rentals		58,210
Supplies		(198,587)
Supplies-Gasoline & Diesel		12,900
Tax Assessor/Collector		5,000
Web Subscription		(22,000)
TOTAL OTHER OPERATING CHANGES	**$**	**(422,339)**

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35

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Closing and Q&A

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36