TRANSMITTAL LETTER

May 27, 2003

The Honorable Rick Perry, Governor
The Honorable David Dewhurst, Lieutenant Governor
The Honorable Thomas R. Craddick, Speaker of the House
Commissioner Don W. Brown, Texas Higher Education Coordinating
Board

Fellow Texans:

I am pleased to present my performance review of the Houston
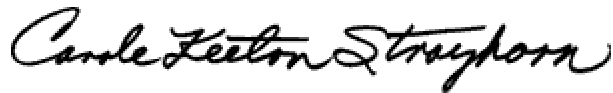Community College System (HCCS).

This review is intended to help HCCS hold the line on costs, streamline
operations, and improve services to ensure that more of every education
dollar goes directly into the college system for faculty and students. To aid
in this task, I contracted with Gibson Consulting Group, Inc.

I have made a number of recommendations to improve HCCS efficiency. I
also have highlighted a number of "best practices" in college operations-
model programs and services provided by the college system
administrators, faculty, and staff. This report outlines 114 detailed
recommendations that could save HCCS more than $45.1 million over the
next five years, while reinvesting more than $2 million to improve
educational services and other operations. Net savings are estimated to
reach more than $43.1 million that the system can redirect to the college
classroom.

I am grateful for the cooperation of HCCS board, staff, parents, and
community members. I commend them for their dedication to improving
the educational opportunities offered to the residents of the greater
Houston metropolitan area.

I am also pleased to announce that the report is available on my *Window
on State Government* Web site at
http://www.window.state.tx.us/tspr/hccs/.

Sincerely,

Carole Keeton Strayhorn
Texas Comptroller

c: Senate Committee on Education
  House Committee on Public Education
  The Honorable Kenneth L. Armbrister, State Senator, District 18
  The Honorable Rodney G. Ellis, State Senator, District 13
  The Honorable Mario V. Gallegos, Jr., State Senator, District 6
  The Honorable Mike Jackson, State Senator, District 11
  The Honorable Kyle Janek, M.D., State Senator, District 17
  The Honorable Jon Lindsay, State Senator, District 7
  The Honorable William R. Ratliff, State Senator, District 1
  The Honorable John Whitmire, State Senator, District 15
  The Honorable Thomas D. Williams, State Senator, District 4
  The Honorable Kevin Bailey, State Representative, District 140
  The Honorable Dwayne A. Bohac, State Representative, District 140
  The Honorable William Callegari, State Representative, District 132
  The Honorable Garnet F. Coleman, State Representative, District 147
  The Honorable Joe Crabb, State Representative, District 127
  The Honorable John Davis, State Representative, District 129
  The Honorable Harold V. Dutton, Jr., State Representative, District 142
  The Honorable Al Edwards, State Representative, District 146
  The Honorable Gary Elkins, State Representative, District 135
  The Honorable Jessica Cristina Farrar, State Representative, District 148
  The Honorable Peggy Hamric, State Representative, District 126
  The Honorable Talmadge Heflin, State Representative, District 149
  The Honorable Glenn Hegar, State Representative, District 28
  The Honorable Scott Hochberg, State Representative, District 137
  The Honorable Charlie F. Howard, State Representative, District 26
  The Honorable Bryan Hughes, State Representative, District 5
  The Honorable Joe E. Moreno, State Representative, District 143
  The Honorable Joe M. Nixon, State Representative, District 133
  The Honorable Richard J. Noriega, State Representative, District 145
  The Honorable Dora F. Olivo, State Representative, District 27
  The Honorable Debbie Riddle, State Representative, District 150
  The Honorable Wayne Smith, State Representative, District 128
  The Honorable Robert E. Talton, State Representative, District 144
  The Honorable Senfronia Thompson, State Representative, District 141
  The Honorable Sylvester Turner, State Representative, District 139
  The Honorable Corbin Van Arsdale, State Representative, District 130
  The Honorable Ronald R. Wilson, State Representative, District 131
  The Honorable Martha Wong, Ed.D., State Representative, District 134
  The Honorable Beverly Woolley, State Representative, District 136

EXECUTIVE SUMMARY

On April 9, 2002, the Houston Community College System (HCCS) Board of Trustees approved a resolution requesting a performance review by the Comptroller's office and agreed to pay 25 percent of the estimated $500,000 project cost. In May 2002, after carefully considering HCCS' request, Comptroller Carole Keeton Strayhorn announced her intention to conduct a Texas School Performance Review (TSPR) of HCCS.

Onsite work began on October 28, 2002. After seven months of work, this report identifies exemplary programs as well as areas for improvement. If fully implemented, the Comptroller's 114 recommendations could save the college a net of more than $43.1 million over the next five years-savings that could be directed toward improving education in the college classroom.

Expanding TSPR for Higher Education Institutions

The general powers of the Comptroller enable the agency to audit any entity receiving state funds. In 1999, shortly after Comptroller Strayhorn took office, performance reviews of Texas Southern University and the El Paso Community College were released. These two reviews provided TSPR valuable experience in the higher education arena. However, it was not until Rider 19 of the 2002-03 General Appropriations Act provided legislative intent for higher education reviews that the Comptroller moved forward to expand TSPR's mission to include ongoing reviews of higher education. Rider 19 says the Comptroller's office "may conduct performance reviews of general academic teaching institutions during the 2002-03 biennium. Performance evaluations shall, at a minimum, consist of a review of fiscal and management operations; student services; curriculum; and benchmarks with respect to peer institutions." Under the new expanded authority, Comptroller Strayhorn released a review of Austin Community College in November 2002.

TSPR, in cooperation with the Texas Higher Education Coordinating Board (THECB) and the Texas Association of State Senior College and University Business Officers, as well as individuals working in higher education institutions, developed a comprehensive set of audit protocols to use in higher education reviews.

Drawing upon her goal of driving more of every education dollar directly into the classroom, Comptroller Strayhorn directed TSPR staff to quickly and systematically share best practices and exemplary programs learned from these reviews with all the state's colleges and universities and with anyone else who requests such information. Best practices as well as the

audit protocols can be found on the Comptroller's A+ Ideas for Managing Schools (AIMS) Database at www.aimsdatabase.org.

Under Comptroller Strayhorn's approach, consultants and the TSPR team will work with colleges and universities to:

- ensure students and faculty receive the support and resources necessary to succeed;
- identify innovative ways to address the college's and university's core management challenges;
- ensure administrative duties are performed efficiently, without duplication, and in a way that fosters education;
- develop strategies to ensure the college's and university's processes and programs are continuously assessed and improved;
- challenge any process, procedure, program or policy that impedes instruction and recommend ways to reduce or eliminate obstacles; and
- put goods and services to the "Yellow Pages Test": government should do no job if a business in the Yellow Pages can do that job better and at a lower cost.

Finally, Comptroller Strayhorn has opened her door to Texans who share her optimism about the potential for higher education, and she welcomes any suggestions to improve Texas colleges and universities at any time. The Comptroller believes colleges and universities deserve all the attention and assistance they can receive.

For more information, contact TSPR by calling toll-free 1-800-531-5441, extension 5-3676, or see the Comptroller's Web site at www.window.state.tx.us.

TSPR in HCCS

The Comptroller contracted with Gibson Consulting Group, Inc., an Austin-based consulting firm, to conduct the review. The review team interviewed college employees, faculty, board members, business leaders and community members and conducted public forums at all five HCCS campuses on October 28, 29 and 30. To obtain additional comments, the review team distributed surveys and conducted focus group sessions with various college and community organizations.

At the board's direction, the chancellor formed a Community Commission, consisting of 13 business, education and community leaders to provide insights to the TSPR team and ultimately assist HCCS to fully implement the recommendations.

The review team received 373 written survey responses from 158 faculty, staff and administrators and 215 students. In addition, TSPR conducted a random telephone survey of 750 area households. Details from these surveys and public forums appear in **Appendices A** through **D**. The Comptroller's office also received letters, e-mails and phone calls from faculty, students and community members.

HCCS selected several peer colleges for comparisons based on similarities in student enrollment, budget and other factors. The colleges selected included North Harris Montgomery Community College District, Alamo Community College District, Dallas County Community College District and Austin Community College.

Exhibit 1 shows comparative demographic and tax data for HCCS and selected peer colleges.

Exhibit 1
Demographic and Tax Data
HCCS and Peer Colleges

	HCCS	Alamo	Austin	Dallas	North Harris Montgomery
Enrollment Fall 2001*	**34,714**	42,044	27,577	50,191	29,386
2002-03 Appropriation ($ in millions)	**$133**	$120	$77	$172	$78
M&O Tax Rate 2001-02	**$0.081233**	$0.0898	$0.05	$0.06	$0.076
Debt Service Tax Rate 2001-02	**$0.0**	$0.0148	$0.0	$0.0	$0.034
Total Tax Rate 2001-02	**$0.081233**	$0.1046	$0.05	$0.06	$0.11
Total Property Valuation 2001-02 ($ in millions)	**$68,655**	$51,450	$45,905	$127,871	$57,541

Source: Texas Higher Education Coordinating Board, Statistical Report; Legislative Budget Board; Texas Association of Community Colleges as of the years indicated.
* Represents students enrolled in credit only courses.

TSPR obtained data on community colleges in general and HCCS specifically from the THECB, the state agency responsible for overseeing

community colleges in Texas. The review team also obtained information from the Texas State Auditor's Office.

Many TSPR recommendations would have no direct financial impact, but would improve the college's operations; others call for additional investments to make such improvements. Cumulative net savings from all recommendations could reach more than $43.1 million by 2007-08.

Exhibit 3 provides a detailed list of costs and savings by recommendation.

Acknowledgments

The Comptroller's office and Gibson Consulting Group, Inc. wish to express their appreciation to the HCCS Board of Trustees, Chancellor Bruce Leslie and the many college employees and community members for their assistance and input during this review. The team would like to express a special thanks to Rebecca Giot, executive director, Financial and Budgetary Control, who served as HCCS' liaison to the review team. Ms. Giot arranged for office space, equipment and meeting rooms, organized meetings, responded to requests and made other valuable contributions to the review team's effort.

Community Colleges in Texas

Community colleges play a vital role in Texas providing technical and vocational programs; freshman and sophomore courses in arts and sciences; continuing adult education programs; compensatory education programs; workforce development programs; adult literacy classes; and other basic skills programs.

Two-year academic programs lead to either an associate of arts or an associate of science degree and feed into baccalaureate programs at four-year institutions. Two-year technical programs result in an associate of applied science degree, while programs of shorter duration lead to occupational certificates.

Community colleges respond to the employment needs of citizens, agencies, businesses and industry through customized and contract workforce instruction, courses for professional certification or licensure and general continuing education opportunities. The colleges work cooperatively with local public schools to provide greater educational options for high school students through school-to-work and tech-prep programs. School-to-work programs provide students opportunities for early career exploration and counseling. Tech-prep programs allow high school students to receive college credit for high quality technical courses. In addition, concurrent course enrollment programs allow advanced

students to complete courses for concurrent credit in high school and college.

Community colleges represent the largest segment of Texas higher education. In its publication, *Enrollment Forecasts 2000-2015 Texas Institutions of Higher Education*, THECB predicts that community college enrollment will reach 1.2 million students by 2015. The projection includes 96,000 new community college students.

According to preliminary enrollment figures, THECB estimates community college enrollment at more than 500,000 in fall 2002. Out of Texas' 50 community college districts, 39 reported record enrollment this fall reflecting an increase of 66,750 students from fall 2000. In addition, more than 250,000 individuals enrolled in workforce training programs. THECB attributes the increased enrollments to the state's slow economic growth.

Community colleges receive funding through a combination of state appropriations, which are based on a contact or instruction hour formula, as well as property taxes, tuition and fees.

HCCS in Profile

Houston Community College System is the state's third largest community college system, the largest on the Texas Gulf Coast and the second largest singularly accredited community college system in the country, which means that it is accredited as one institution rather than as separate colleges. HCCS has five colleges with numerous campuses and centers to serve the Houston area.

A public referendum in May 1971 created HCCS under the governance of the Houston Independent School District (HISD). The college began with an enrollment of 5,700 students and conducted all classes at HISD facilities. In 1977, the Southern Association of Colleges and Schools (SACS) granted HCCS full accreditation.

In 1984, HCCS began its move toward independence from HISD when the HISD Board of Trustees allotted a portion of its property tax levies to HCCS for facilities, equipment and operating expenses. Two years later, Houston voters allocated a separate tax levy to HCCS for additional funding. In 1987, the Texas State Legislature granted HCCS authority to establish its own Board of Trustees, an action completed in 1989. The HCCS board consists of nine members from single member districts who serve staggered, six-year terms. On March 9, 1989, HISD officially transferred control of the college to the HCCS Board of Trustees.

HCCS' taxing authority includes Harris County, Missouri City and Fort Bend County. Although the system's 8.1 percent tax rate has increased by 22.9 percent since 1998, it is the 44th lowest in the state. The system adopted a $196.9 million 2002-03 budget that has recently been revised to $192.7 million to reflect a reduction in state appropriations and an increase in 2003 summer tuition.

In Fall 2002, the system's enrollment reached 54,749, which included non-credit, continuing education, adult literacy and semester hour credit students. HCCS offers instruction in 17 locations and serves students in its taxing district, as well as students from the system's service area including Alief, Katy, North Forest and Spring Branch. More than 50 percent of students live outside the system's taxing district and pay higher fees than in-district students. HCCS serves an ethnically diverse student population including 28 percent Anglo, 25 percent Hispanic, 23 percent African American, 12 percent Asian and 12 percent other.

HCCS' courses include general education (university transfer), workforce programs, customized training for businesses, continuing education and developmental education. The system offers 34 majors for associate degrees in arts and sciences and 67 areas of study for associate degrees in applied sciences or workforce certificates. THECB recognized 12 HCCS workforce programs as *Exemplary* and six as *Near Exemplary* based on enrollment, graduates, job placement, industry involvement and quality of instruction.

In 2002-03, HCCS employed 5,348 individuals, including 2,664 faculty (685 full-time and 1,979 part-time); 121 administrators; 501 professional - non-faculty, 77 counselors and librarians; 994 secretary/clerical (upper-level); 742 technical/para-professional; 246 service/maintenance; and three skilled craft.

HCCS provides excellent academic and workforce development programs, is committed to student success and is centralizing services to create a more efficient system.

As HCCS continues to improve its services and programs and looks toward future growth, it faces the following challenges:

- centralizing the organizational and reporting structure;
- implementing a strong human resource management system;
- improving financial monitoring; and
- maximizing use of data as a management tool.

Key Findings and Recommendations

Centralize the Organizational and Reporting Structure

Reduce the number of college presidents from five to three and create a system of three geographic areas for HCCS campuses. As the chancellor guides the system toward greater centralization and coordination of services, HCCS no longer needs to maintain five separate college presidents' offices. Although HCCS initially theorized that the five-college model established in 1992 would strengthen the system, it encouraged each president to compete for resources. The college presidents said that the model divided the system with presidents politicking to get college budget requests approved. By aligning the colleges into three geographic areas based on boundary lines that meet system and community needs, HCCS will strengthen the system and reduce administrative expenditures by more than $1.1 million annually.

Require college presidents to report to the vice chancellor for Educational Development to improve communication, coordination and accountability. HCCS' presidents and instructional administrators have differing opinions regarding the system's organizational structure, lines of authority and areas of responsibility and accountability. Several members of the chancellor's executive team said that system and college administrators share authority and responsibility for decisions and actions, while others said a hierarchical structure exists with the chancellor communicating expectations to the vice chancellors, who communicate them to college administrators and presidents. The college presidents report directly to the chancellor. The current organizational structure and lines of authority are difficult for college instructional administrators to follow, especially when system office goals conflict with college goals. Having the college presidents report to the vice chancellor for Educational Development instead of to the chancellor will help improve communication, service coordination and accountability, and emphasize the importance of the single institution concept.

Implement a Strong Human Resource Management System

Update the Human Resources Department strategic plan to include performance measures for efficiency, effectiveness and customer satisfaction. The Human Resources Department is not successfully implementing its strategic plan and is not being held accountable for performance. The department has been in a state of change since 2000-01. In October 2002, the Human Resources turnover rate equaled 8.2 percent, which was twice as high as the 4 percent for all HCCS staff. Establishing department performance measures will make Human Resource personnel and the department's leadership accountable for service quality and efficiency.

Eliminate annual employment contracts for all non-faculty staff except senior management positions. Every full-time HCCS employee has a contract that is renewed annually. Writing, distributing and filing more than 1,800 contracts every year has become a time-consuming and paper-intensive system process. In addition, the hiring and termination of contracted staff requires board approval. Reserving contracts for senior management positions will eliminate the need to prepare annual contracts for all non-faculty staff, allow the system to terminate chronic non-performing staff more efficiently and provide greater flexibility by reducing the board involvement in staffing decisions.

Institute annual evaluations of all faculty and staff by evaluators without any real or perceived conflict of interest. HCCS does not conduct performance evaluations annually for all positions and some faculty evaluators may have a conflict of interest. HCCS staff said that the evaluations occur at the discretion of supervisors and/or departments and are not conducted consistently throughout the institution. As a result, staff perceive inequitable and unfair employee-related decisions. Conducting annual evaluations will provide employees and management an opportunity to discuss ways to improve performance and establish future goals and objectives.

Reduce the number of clerical staff and implement the use of staffing formulas. HCCS lacks a staffing formula for clerical positions, resulting in an excessive number of clerical staff. With 351 full-time and 652 part-time clerical staff, which represents 18.8 percent of all employees, the system employs the highest number among its peer colleges. Staffing formulas will help the system maintain control over staffing levels, increase accountability and reduce overall clerical staff levels for an annual savings of nearly $4.5 million.

Improve Financial Monitoring

Develop and implement a budget allocation process that involves colleges and departments. HCCS' budget process does not ensure equitable distribution of funds to the colleges. To determine budget requests, some colleges use an extensive planning process to discuss and rank their priorities. However, one college and several departments simply submit the current budget with minor changes. Since the system does not allocate funds based on the number of students served or the differences in courses and additional needs of specialized programs, the amounts distributed to colleges and departments vary significantly. Developing a budget allocation model, based on the number of program participants and related factors, would help ensure equitable distribution of funds.

Develop long-range cash forecasts and automate daily cash-flow forecasting procedures. HCCS does not prepare long-term cash forecasts. In addition, the system's daily manual cash flow forecasting procedure does not effectively ensure HCCS can meet its daily cash obligations. Although the financial computer system includes a cash forecasting function, HCCS does not use it. As a result of insufficient funds, the system's depository bank has not honored some HCCS checks. By automating daily cash flow forecasting and focusing on long-term forecasts, HCCS will have more accurate information for decision-making and planning.

Use workers' compensation claims loss information to develop an education program to reduce the number and severity of claims. HCCS does not analyze data to identify trends relating to workers' compensation claims. Although the system has had a 3.7 percent decrease in the number of claims from 1999-2000 to 2001-02, it has experienced a 69.9 percent increase in the cost per claim. By monitoring and reviewing information to identify trends, HCCS can better educate employees on ways to prevent accidents resulting in fewer and less costly claims.

Maximize Use of Data as a Management Tool

Compile and use data to coordinate scheduling, develop more effective course schedules and increase the average class size. HCCS' scheduling process does not offer convenient options for students or maximize class size. Departments at each college schedule classes independently, which results in duplicate offerings and subsequent class cancellations. Some students are left without options for completing coursework as scheduled. By compiling historical data on the sections offered successfully in previous semesters and using the data to coordinate scheduling, HCCS can increase average class size by at least one student, increase efficient use of existing facilities and save nearly $1.7 million annually.

Create a commodity code data item in the financial management system and assign buyers to specific commodities to ensure compliance with statutory purchasing limits. HCCS currently risks violating statutory purchasing laws that require bids for aggregate purchases of more than $25,000 in a fiscal year. HCCS assigns buyers purchasing responsibility by college, system and/or dollar amount. When several buyers oversee similar purchases, it becomes difficult to effectively monitor cumulative purchases of a single commodity. By accounting for purchases by commodity code, which organizes by purchase type, the system can monitor cumulative purchases on a regular basis.

Provide ongoing hands-on training for users of the financial management system. HCCS does not adequately train users on the financial management system that is used for business and student records. The Application Development group produces pamphlets for user training but does not provide one-on-one training to users. Staff from Student Services, Purchasing and Asset Management expressed a need for additional training to improve overall use of the computer system. Assigning the director of Administrative Services and Project Office to coordinate training will ensure identification and prioritization of training needs, development of reference materials for all functional areas and coordination of the training delivery to staff members, which results in users increasing understanding and use of the system.

Implement a construction program management system to manage, track and report construction projects. The Construction Management Department is inadequately equipped to manage large-scale construction projects. The Construction Management Department is a four-person group that cannot manage the volume of projects anticipated for the future without outsourcing project management functions. Implementing a construction program management system will provide HCCS with the adequate tools to manage multi-million dollar construction programs at a cost of $12,470 annually beginning 2004-05 and including a one-time software purchase of $22,450.

Exemplary Programs and Practices

TSPR identified numerous "best practices" in HCCS. Through commendations in each chapter, this report highlights model programs, operations and services provided by HCCS administrators, faculty and staff members. The Comptroller encourages other colleges and universities throughout Texas to examine these exemplary programs and services to see if they can be adapted to meet their own needs. TSPR's commendations include the following:

HCCS' insurance consultant provides cost-effective expertise to ensure that the system is adequately protected against loss. HCCS contracts with a consultant for an annual $35,000 fixed fee to provide professional advice regarding insurance specification preparation, bid proposal review to identify the best coverage at the best price and assistance with claims. The consultant works closely with the recently created Risk Management Department to provide this needed expertise at a reasonable cost. The five-year contract with annual board approval allows HCCS to continually evaluate the effectiveness of the consultant's services

Lunch-n-Learn sessions have improved the efficiency of the purchasing process and increased overall customer satisfaction. The Purchasing Department regularly presents Lunch-n-Learn information sessions to explain and clarify purchasing policies and procedures and respond to customer concerns. The sessions were designed to address a lack of customer confidence in the Purchasing Department's services. The sessions have improved customer service and satisfaction.

The Information Technology Department (IT) tests and monitors HCCS' network and application infrastructure every half hour, 24 hours a day to respond and resolve issues with the system. The IT Department created a performance monitoring and testing system for its entire network and application infrastructure. Instead of waiting for user reports of power outages, the IT Department finds and documents outages as they occur. By monitoring the network system, the IT Department improves its ability to identify and correct problems for users.

HCCS effectively developed a community partnership to fund construction of a shared assembly space. In developing the West Loop campus, HCCS partnered with Christ the King Presbyterian Church to leverage construction funding without affecting building use. HCCS worked with the church to build a 600-seat auditorium. The church provided the $1 million build-out cost in exchange for exclusive use of the facility on Sunday mornings. The church, which does not affect the schedule of the campus, helped fund a unique space for the system.

The Fine Arts Department increased theatre facility rental income while enhancing the system's image in the community. The Fine Arts Department increased its rental income from $15,000 in 2000-01 to $48,000 in 2001-02. The theatre manager developed a contract template to use for all rental contracts. The contract specifies the HCCS staff to be on duty during the rental period, the insurance requirements, minimum charges for the facility and a fee schedule that itemizes all rental charges. A non-refundable deposit is required to execute the rental contract. The theatre also rents out specialty items including a dance floor, fog machine, hazer, mirror ball, wireless microphone, grand piano, electric piano, projection screen and follow spot at a daily rate. Theatre personnel are available to provide groups renting the facility audio and sound engineering, lighting and set design.

The HCCS council of presidents facilitates communication, dialogue and collaboration for a singularly accredited system with multiple colleges, campuses and centers. The presidents' council has enhanced communication and collaboration among the college presidents and their campuses. In 2001, the five college presidents began meeting to discuss issues and subsequently organized a presidents' council that meets weekly.

The presidents share their concerns and discuss policies, issues and initiatives that impact their respective colleges. The HCCS Colleges to Standard initiative serves as an example of collaboration among the college presidents that resulted from the presidents' council. The presidents agreed that they needed a set of standards to ensure equity among the five colleges and, as a result, the Colleges to Standard was developed and formally adopted as part of the system's strategic plan.

Savings and Investment Requirements

Many of TSPR's recommendations would result in savings and increased revenue that could be directed to improve classroom instruction. The savings identified in this report are conservative and should be considered minimums. Proposed investments of additional funds usually are related to increased efficiencies, savings or improved productivity and effectiveness.

TSPR recommends 114 ways to save HCCS more than $45.1 million in gross savings over a five-year period. Reinvestment opportunities would cost the college more than $2 million during the same period. Full implementation of all recommendations in this report could produce net savings of more than $43.1 million by 2007-08. (**Exhibit 2**)

Exhibit 2
Summary of Net Savings
TSPR Review of Houston Community College System

Year	Total
2003-04 Initial Annual Net Savings	$3,845,599
2004-05 Additional Annual Net Savings	$9,262,987
2005-06 Additional Annual Net Savings	$9,765,917
2006-07 Additional Annual Net Savings	$10,388,847
2007-08 Additional Annual Net Savings	$10,767,114
One Time Net Savings/(Costs)	($902,230)
TOTAL SAVINGS PROJECTED FOR 2003-08	**$43,128,234**

A detailed list of costs and savings by recommendation appears in **Exhibit 3**. The page number for each recommendation is listed in the summary chart for reference purposes. Detailed implementation strategies, timelines and estimates of fiscal impact follow each recommendation in this report. The implementation section associated with each recommendation highlights the actions needed to achieve the proposed results. Some items should be implemented immediately, some over the next year or two and some over several years.

TSPR recommends the HCCS board ask college administrators to review the recommendations, develop an implementation plan and monitor its progress. As always, TSPR staff members are available to help implement these proposals.

EXECUTIVE SUMMARY

Exhibit 3
Summary of Costs and Savings by Recommendation

	Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08	Total 5-Year (Costs) or Savings	One Time (Costs) or Savings
Chapter 1: Governance and Leadership								
1	Develop individual training plans for each board member that are appropriate to the needs of the board as a whole. p. 43	$0	$0	$0	$0	$0	$0	$0
2	Ensure that all HCCS board members receive required Public Funds Investment Act training and monitor, track and report on the training. p. 44	$0	$0	$0	$0	$0	$0	$0
3	Develop a comprehensive orientation training program for new board members.p. 47	$0	$0	$0	$0	$0	$0	$0
4	Reduce the number of college presidents from five to three and create a system of three geographic areas for HCCS campuses.p. 52	$0	$1,122,112	$1,122,112	$1,122,112	$1,122,112	$4,488,448	$0
5	Revise the college presidents' job descriptions to support HCCS' single-institution concept and to clearly assign account-ability. p. 54	$0	$0	$0	$0	$0	$0	$0
6	Require all college presidents to report directly to the vice chancellor for Educational Development to improve communication. coordination	$0	$0	$0	$0	$0	$0	$0

#	Description							
	and accountability. p. 56							
7	Reduce the number of clerical staff and implement staffing formulas for all clerical positions. p. 58	$2,229,116	$4,458,232	$4,458,232	$4,458,232	$4,458,232	$20,062,044	$0
8	Expand the Colleges to Standard initiative and develop accountability measures tied to the standards. p. 60	$0	$0	$0	$0	$0	$0	$0
9	Use teleconferencing technologies to facilitate the logistics of system meetings and to increase convenience to presidents in the outlying areas. p. 61	$0	$0	$0	$0	$0	$0	$0
10	Develop and implement a system of performance measures by department and tie them to the budget.p. 68	$0	$0	$0	$0	$0	$0	$0
	Totals-Chapter 1	$2,229,116	$5,580,344	$5,580,344	$5,580,344	$5,580,344	$24,550,492	$0
Chapter 2: Instruction and Academic Support								
11	Adhere to the college policy requiring that the Curriculum Committee approve curriculum changes, which are reported to the state.p. 80	$0	$0	$0	$0	$0	$0	$0
12	Implement a systemwide classroom and laboratory use system for classroom scheduling. p. 82	$0	($5,000)	($5,000)	($5,000)	($5,000)	($20,000)	($30,000)
13	Compile and use historical data to develop coordinated course schedules and to increase the average class size. p. 83	$0	$1,679,100	$1,679,100	$1,679,100	$1,679,100	$6,716,400	$0
14	Formally adopt the review process for academic and workforce programs and	$0	$0	$0	$0	$0	$0	$0

	communicate the approved process to HCCS faculty and staff. p. 89							
15	Implement all program review process deficiency plans developed during the Southern Association of Colleges and Schools self-study. p. 93	$0	$0	$0	$0	$0	$0	$0
16	Establish a timeline for the completion of all improvement efforts outlined in the HCCS Developmental Education Plan. p. 99	$0	$0	$0	$0	$0	$0	$0
17	Include the Childcare managers in the budget process for the Childcare Centers. p. 109	$0	$0	$0	$0	$0	$0	$0
18	Assign all responsibilities for program coordination and liaison efforts with school districts regarding Tech-Prep and dual credit arrangements to a single HCCS office. p. 111	$0	$0	$0	$0	$0	$0	$0
19	Establish partnerships with area school districts to disseminate Texas Academic Skills Program information and materials and coordinate efforts to ensure a smooth transition for students.p. 113	$0	$0	$0	$0	$0	$0	$0
Totals-Chapter 2		$0	$1,674,100	$1,674,100	$1,674,100	$1,674,100	$6,696,400	($30,000)
Chapter 3: Student Services								
20	Establish a board policy that requires equitable allocation of Student Services resources across all HCCS colleges. p. 120	$0	$0	$0	$0	$0	$0	$0
21	Establish a system to annually	$0	$0	$0	$0	$0	$0	$0

	use data, surveys and evaluations to improve HCCS Student Services.p. 123							
22	Consolidate and centralize international Student Services. p. 135	$0	$0	$0	$0	$0	$0	$0
23	Clarify the functions of advising and counseling and when counseling positions become available through attrition, fill as many as reasonable with academic advisors. p. 139	$0	$0	$0	$0	$0	$0	$0
24	Create a Student Aid Technology Task Force to plan for the scheduled implementation and ongoing use of the Financial Aid modules.p. 142	$0	$0	$0	$0	$0	$0	$0
25	Provide privacy for students to discuss financial information and train staff to provide efficient, accurate and customer-friendly service. p. 143	$0	$0	$0	$0	$0	$0	$0
26	Revive the Student Government Council to bring students into the governance process of the college. p. 146	$0	$0	$0	$0	$0	$0	$0
27	Compile, analyze and monitor student complaints and appeals to the system office for legal risk management and manage‑ment improvements.p. 147	$0	$0	$0	$0	$0	$0	$0
28	Establish a fee for student transcripts. p. 148	$380,940	$380,940	$380,940	$380,940	$380,940	$1,904,700	$0
Totals‑Chapter 3		$380,940	$380,940	$380,940	$380,940	$380,940	$1,904,700	$0
Chapter 4: Human Resources Management								

29	Update the Human Resources Department Strategic Plan to include performance measures for efficiency, effectiveness and customer satisfaction.p. 164	$0	$0	$0	$0	$0	$0	$0
30	Move the Police Department from Human Resources to Finance and Administration. p. 165	$0	$0	$0	$0	$0	$0	$0
31	Grant human resource generalist positions access to existing automated tools needed to improve their efficiency. p. 166	$0	$0	$0	$0	$0	$0	$0
32	Eliminate annual employment contracts for all non-faculty staff, except senior management positions. p. 168	$0	$0	$0	$0	$0	$0	$0
33	Change the compensation commission structure to ensure that study results and implementation are free from internal influence and timelines are communicated to staff promptly. p. 176	$0	$0	$0	$0	$0	$0	$0
34	Institute annual evaluations of all faculty and staff by evaluators without any real or perceived conflict of interest. p. 178	$0	$0	$0	$0	$0	$0	$0
35	Clarify the requirements for obtaining hiring approval and communicate the procedure to all staff. p. 180	$0	$0	$0	$0	$0	$0	$0
36	Use the informal dispute resolution process as the first stage in the grievance process. p. 183	$0	$0	$0	$0	$0	$0	$0
37	Maintain and quarterly analyze exit interview data. p.	$0	$0	$0	$0	$0	$0	$0

	186							
Totals-Chapter 4		$0	$0	$0	$0	$0	$0	$0
Chapter 5: Financial Management								
38	Involve colleges and departments in developing and implementing the annual budget allocation process. p. 200	$0	$0	$0	$0	$0	$0	$0
39	Encumber salary budgets when adjunct professor and part-time positions are filled to ensure funds are available to pay the salary of the position through the entire budget year. p. 202	$0	$0	$0	$0	$0	$0	$0
40	Revise the internal audit charter to clearly define the role and responsibility of the board and administration in establishing and approving the annual audit plan and clarify that the final internal audit reports are to be sent uncensored to the Board of Trustees. p. 205	$0	$0	$0	$0	$0	$0	$0
41	Implement and use a risk assessment model to determine the areas for internal audit. p. 207	$0	$0	$0	$0	$0	$0	$0
42	Stipulate the number of hours of assistance the internal audit function will provide to the external auditors in the Request for Proposals and the engagement letter. p. 208	$0	$0	$0	$0	$0	$0	$0
43	Competitively procure and implement an automated timekeeping system for employees. p. 212	$36,667	$55,000	$55,000	$55,000	$55,000	$256,667	($290,000)
44	Complete the update of the accounting manual and	$0	$0	$0	$0	$0	$0	$0

	institute an annual process. p. 216							
45	Change the account code structure to include functional classifications for external reporting purposes. p. 220	$0	$0	$0	$0	$0	$0	$0
Totals-Chapter 5		$36,667	$55,000	$55,000	$55,000	$55,000	$256,667	($290,000)
Chapter 6: Asset and Risk Management								
46	Develop long-range cash forecasts and automate daily cash-flow forecasting procedures. p. 233	$0	$0	$0	$0	$0	$0	$0
47	Expand the existing contract with the armored-car company to pick up cash twice weekly at every college. p. 234	($12,760)	($13,920)	($13,920)	($13,920)	($13,920)	($68,440)	$0
48	Diversify the investment portfolio and sweep the operating account nightly to increase investment earnings. p. 237	$28,595	$34,314	$34,314	$34,314	$34,314	$165,851	$0
49	Establish a comprehensive fixed asset management system. p. 245	$0	$0	$0	$0	$0	$0	$0
50	Develop written procedures to plan and conduct spot checks and follow-up inventories. p. 246	$0	$0	$0	$0	$0	$0	$0
51	Purchase an automated bar-code reading system.p. 247	$0	$0	$0	$0	$0	$0	($6,729)
52	Enter into an interlocal agreement with the Harris County Purchasing Department to participate in its online surplus sales for items with value and discard or donate the remaining items to local charities. p. 248	$16,254	$16,254	$16,254	$16,254	$16,254	$81,270	$0

53	Reconcile the fixed asset subsidiary ledger with the general ledger on a monthly basis. p. 249	$0	$0	$0	$0	$0	$0	$0
54	Develop and implement policies and procedures for vehicle acquisition and disposal, including a tracking system for vehicle maintenance and repairs.p. 251	$0	$0	$0	$0	$0	$0	$0
55	Use workers' compensation claims loss data to develop an education program to reduce the number and severity of workers' compensation claims.p. 259	$85,176	$85,176	$85,176	$85,176	$85,176	$425,880	$0
56	Develop a limited-duty return-to-work program for injured workers to provide them the opportunity to come back to HCCS as soon as possible. p. 261	$0	$0	$0	$0	$0	$0	$0
57	Hire one safety specialist to help develop a comprehensive safety education plan and conduct periodic fire inspections and drills, air quality testing, asbestos abatement and safety training throughout HCCS. p. 262	($39,750)	($47,700)	($47,700)	($47,700)	($47,700)	($230,550)	$0
58	Reorganize the cashiering structure to report directly to the Student Financial Services Division. p. 266	$0	$0	$0	$0	$0	$0	$0
59	Hire an accountant for the Student Financial Services Division. p. 267	($35,330)	($42,400)	($42,400)	($42,400)	($42,400)	($204,930)	$0
Totals-Chapter 6		$42,185	$31,724	$31,724	$31,724	$31,724	$169,081	($6,729)
Chapter 7: Purchasing, Receiving and Contracted Services								
60	Upgrade job descriptions to	$23,669	$37,933	$37,933	$37,933	$37,933	$175,401	($1,620)

	encourage certification and reorganize the Purchasing Department based on appropriate credentials.p. 281							
61	Streamline the authorization process. p. 287	$0	$0	$0	$0	$0	$0	$0
62	Reorganize the Purchasing Department file room so that all purchase orders are organized by vendor in a combined file. p. 289	$0	$0	$0	$0	$0	$0	$0
63	Eliminate all use of credit cards and ensure that procurement cards are subject to appropriate administrative and internal controls and strict penalties for misuse are enforced.p. 291	$0	$780	$780	$780	$780	$3,120	$0
64	Create a commodity code data element in the financial management system and assign buyers to specific commodities to ensure compliance with statutory purchasing limits. p. 294	$0	$0	$0	$0	$0	$0	$0
65	Implement an electronic bidding system to identify additional vendors for bids and proposals. p. 296	($455)	($455)	($455)	($455)	($455)	($2,275)	$0
66	Purge the vendor list annually and establish a vendor evaluation process.p. 298	$0	$0	$0	$0	$0	$0	$0
67	Develop and adopt Architectural/Engineering/Construction selection procedures that reinforce selection of the most qualified firms. p. 301	$0	$0	$0	$0	$0	$0	$0
68	Create a document checklist and place it in every bid file. p. 302	$0	$0	$0	$0	$0	$0	$0

#	Description							
69	Complete the plan to implement the financial management system's electronic purchase authorization capability. p. 304	$0	$0	$0	$0	$0	$0	$0
70	Train appropriate clerical staff to complete requisition forms and to assign the proper account code to the requisition. p. 306	$0	$0	$0	$0	$0	$0	$0
71	Revise existing procedures to monitor and control the use of blanket purchase orders and establish penalties for abuse. p. 308	$0	$0	$0	$0	$0	$0	$0
72	Eliminate all after-the-fact purchase orders and develop accountability measures to address staff members who violate purchasing policy. p. 310	$0	$0	$0	$0	$0	$0	$0
73	Develop reports to regularly track direct payments and take punitive action against employees who use direct payments to abuse purchasing policy. p. 313	$0	$0	$0	$0	$0	$0	$0
74	Establish a systemwide Central Receiving Department and develop an interface with the financial management system to effectively receive items.p. 316	$0	($122,680)	($122,680)	($122,680)	($122,680)	($490,720)	($75,712)
75	Tag capital assets inventory within 24 hours of receiving the items. p. 319	$0	$0	$0	$0	$0	$0	$0
76	Develop standards for all contracted services. p. 320	$72,370	$108,554	$108,554	$108,554	$108,554	$506,586	$0
Totals-Chapter 7		$95,584	$24,132	$24,132	$24,132	$24,132	$192,112	($77,332)

Chapter 8: Management Information Systems

77	Provide ongoing hands-on training for all users of the financial management system. p. 328	$0	$0	$0	$0	$0	$0	$0
78	Create comprehensive policies and procedures for the Information Technology department and make them accessible online for all departments. p. 335	$0	$0	$0	$0	$0	$0	$0
79	Create a standing, systemwide Web site steering committee responsible for aligning the HCCS Web site strategy with systemwide goals and objectives.p. 337	$0	$0	$0	$0	$0	$0	$0
80	Shift responsibility for all Web site infrastructures, including the Web servers managed by the Instructional Computing Resource Center and the Information Technology Department, to the System Support group. p. 339	$0	$0	$0	$0	$0	$0	$0
81	Reestablish the information security committee and update and implement the security plan. p. 347	$0	$0	$0	$0	$0	$0	$0
82	Create and implement customer satisfaction surveys on Help Desk and technical support services and establish regular meetings between college administrators and the manager of the technical support group. p. 349	$0	$0	$0	$0	$0	$0	$0
Totals-Chapter 8		$0	$0	$0	$0	$0	$0	$0

Chapter 9: College and Community Relations

83	Develop a Memorandum of	$0	$0	$0	$0	$0	$0	$0

	Understanding between HCCS and the foundation that defines the responsibilities of each party. p. 359							
84	Eliminate HCCS Foundation dependency on HCCS for its administrative and operating expenses. p. 361	$154,488	$154,488	$154,488	$154,488	$154,488	$772,440	$0
85	Develop an effective and efficient alumni relations program. p. 364	$0	$0	$0	$0	$0	$0	$0
86	Redesign the systemwide Corporate Training and Continuing Education class schedule to make it easier to use. p. 372	$0	$0	$0	$0	$0	$0	$0
87	Develop plans and procedures to promote the HCCS' Corporate Training and Continuing Education program. p. 374	$0	$0	$0	$0	$0	$0	$0
88	Develop a policy and procedures for the HCCS Corporate Training and Continuing Education program to become self-sustaining. p. 376	$0	$0	$0	$0	$0	$0	$0
89	Develop procedures for distribution of course catalogs. p. 383	$9,800	$9,800	$9,800	$9,800	$9,800	$49,000	$0
90	Conduct annual telephone system training to teach basic telephone skills and courtesy and improve customer service delivery.p. 386	$0	$0	$0	$0	$0	$0	$0
91	Establish a way to receive public input on the HCCS Web site. p. 387	$0	$0	$0	$0	$0	$0	$0
92	Establish a written procedure for communicating with the media and provide training to	$0	$0	$0	$0	$0	$0	$0

#	Description							
	selected positions at HCCS. p. 388							
93	Assign responsibility for listing the public service activities taking place at each college to the Community and Resource Development coordinators and consolidate this information at the system level. p. 395	$0	$0	$0	$0	$0	$0	$0
Totals-Chapter 9		$164,288	$164,288	$164,288	$164,288	$164,288	$821,440	$0

Chapter 10: Plant Operations and Maintenance

#	Description							
94	Hold a "partnering session" with all college facility representatives to jointly define roles and responsibilities and establish lines of communication to ensure the success of the current structure. p. 405	$0	$0	$0	$0	$0	$0	$0
95	Encourage out-of-district business and community leaders to educate their communities about the benefits of joining HCCS. p. 408	$0	$0	$0	$0	$0	$0	$0
96	Move forward with authorized and voter-approved renovation projects. p. 411	$0	$0	$0	$0	$0	$0	$0
97	Implement a construction program management system to manage, track and report construction projects. p. 415	($0)	($12,470)	($12,470)	($12,470)	($12,470)	($49,880)	($22,450)
98	Convert HCCS remaining building plans to Computer Aided Drafting documentation and integrate area data with a space inventory. p. 417	$0	$0	$0	$0	$0	$0	($120,836)

99	Implement plant accounting software that is integrated with the financial management system and train the plant accountant and the director of Construction Project Management on the system. p. 419	$0	$0	$0	$0	$0	$0	($120,000)
100	Equitably allocate custodial and janitorial staff to all HCCS colleges. p. 422	$235,781	$235,781	$235,781	$235,781	$235,781	$1,178,905	$0
101	Implement a computerized maintenance management work order system designed to support a facilities maintenance operation equivalent to the scale of operations at HCCS.p. 423	$0	$88,767	$88,767	$88,767	$88,767	$355,068	($20,000)
102	Expand the energy conservation service agreement to include energy management, education and conservation services.p. 427	$89,729	$89,729	$89,729	$89,729	$89,729	$448,645	$0
103	Implement a comprehensive energy management program that meets the standards established for energy conservation measures. p. 428	$7,300	$343,603	$679,906	$1,016,209	$1,352,512	$3,399,530	$0
104	Revise the job description for the plant accountant to include utility bill auditing.p. 430	$0	$0	$0	$0	$0	$0	$0
105	Increase full-time HCCS police and security officers. p. 435	$266,205	$266,205	$266,205	$266,205	$266,205	$1,331,025	
Totals-Chapter 10		$599,015	$1,011,615	$1,347,918	$1,684,221	$2,020,524	$6,663,293	($283,286)
Chapter 11: Auxiliary and Service Enterprises								
106	Segregate the instructional program from NEO Café and allow staff to run the	$0	$43,040	$89,667	$136,294	$178,258	$447,259	($200,000)

	operation as a profit-making enterprise. p. 450							
107	Provide NEO Café the accounting tools necessary to effectively run the business. p. 453	$0	$0	$0	$0	$0	$0	$0
108	Expand NEO Café's catering services to increase its profits. p. 454	$300,000	$300,000	$420,000	$660,000	$660,000	$2,340,000	($12,438)
109	Install surveillance cameras above the cash registers and in the seating area and revise daily cash handling procedures to help ensure the safety of NEO Café staff. p. 456	($900)	($900)	($900)	($900)	($900)	($4,500)	($2,445)
110	Develop an advertising campaign that includes establishing a Web page and posting attractive signage to inform the community about the café. p. 457	$0	$0	$0	$0	$0	$0	$0
111	Develop a preventive maintenance plan to extend the life of the kitchen equipment and a replacement plan for equipment that can no longer be used effectively. p. 458	($12,000)	($12,000)	($12,000)	($12,000)	($12,000)	($60,000)	$0
112	Dedicate a buyer to the Fine Arts Department to address its unique purchasing requirements. p. 461	$0	$0	$0	$0	$0	$0	$0
113	Implement revised fee and membership eligibility policies that are necessary to maintain the Fitness Center as a self-supporting operation. p. 464	$13,746	$13,746	$13,746	$13,746	$13,746	$68,730	$0
114	Formalize the management of the Elderhostel program.p.	($3,042)	($3,042)	($3,042)	($3,042)	($3,042)	($15,210)	$0

	467							
Totals-Chapter 11	$297,804	$340,844	$507,471	$794,098	$836,062	$2,776,279	($214,883)
Gross Savings	**$3,949,836**	**$9,523,554**	**$10,026,484**	**$10,649,414**	**$11,027,681**	**$45,176,969**	**$0**
Gross Costs	**($104,237)**	**($260,567)**	**($260,567)**	**($260,567)**	**($260,567)**	**($1,146,505)**	**($902,230)**
Total	**$3,845,599**	**$9,262,987**	**$9,765,917**	**$10,388,847**	**$10,767,114**	**$44,030,464**	**($902,230)**

Total Gross Savings	**$45,176,969**
Total Gross Costs	**($2,048,735)**
Net Savings	**$43,128,234**

Chapter 1
GOVERNANCE AND LEADERSHIP

This chapter reviews Houston Community College System's (HCCS) governance and leadership in the following sections:

A. Governance and Board Policies
B. Management and Organization
C. Planning
D. Institutional Policies and Procedures
E. Legal Services

The governance and leadership of an institution of higher education requires cooperation between the elected members of the board of trustees and the staff. The board sets goals and objectives for the institution in both academics and operations; determines policies to provide effective and efficient governance; approves plans to implement those policies; and provides the funding necessary to implement the plans.

The chancellor, as the chief executive officer of the institution, recommends necessary staffing and resources to accomplish the board's goals and objectives. The chancellor reports organizational performance information to the board and ensures that the institution is held accountable for meeting its performance goals. Institutional managers and staff manage the day-to-day implementation of the board-approved policies and plans and recommend modifications to ensure that the institution operates efficiently and effectively and in accordance with its intended purpose.

BACKGROUND

A public referendum in May 1971 created HCCS and the college's charter placed it under the governance of the Houston Independent School District (HISD). The system's initial student enrollment of 5,700 attended workforce education classes. The following semester, HCCS added academic transfer courses to its offerings.

Originally HCCS occupied HISD facilities; however, in 1984, the HISD Board of Trustees allotted a portion of its property tax levies to HCCS for facilities, equipment and operating expenses. Two years later in 1986, Houston voters allocated a separate tax levy to HCCS for additional funding.

The HCCS board consists of nine members from single member districts. HISD board members appointed HCCS board members to staggered, six-

year terms. On March 9, 1989, HISD officially transferred control of HCCS to the HCCS Board of Trustees.

While still accredited as a single institution by the Southern Association of Colleges and Schools (SACS), in 1992, the HCCS board organized HCCS into a system of six individual colleges each with its own president: Central College, Northwest College, Southwest College, Northeast College, Southeast College and the College Without Walls. The other colleges later absorbed the College Without Walls, leaving five colleges today. A chancellor heads the entire system. A president administers each individual college. The college presidents report directly to the chancellor. **Exhibit 1-1** shows HCCS' colleges and campuses.

Exhibit 1-1
HCCS Colleges and Campuses

College	Campus	Location
Central	Central Campus	1300 Holman Houston, Texas 77004
	Hobby Airport Center/Westwood College of Aviation	8880 Telephone Road Houston, Texas 77061
	Palm Center	5400 Griggs Rd. Houston, Texas 77021
Northwest	Town & Country Center	1010 W. Sam Houston Parkway N. Houston, Texas 77043
	Westgate Center	1550 Fox Lake Drive Houston, Texas 77084
Southwest	Alief Center	13803 Bissonnet Houston, Texas 77083
	Gulfton Center	5407 Gulfton Houston, Texas 77081
	Missouri City Center	1681 Cartwright Road Missouri City, Texas 77489
	West Loop Campus	5601 West Loop South Houston, Texas 77081
	Power Center	12401 South Post Oak Road Houston, Texas 77045
	Stafford Campus	9910 Cash Road Stafford, Texas 77477

Northeast	Automotive Technology Training Center	4638 Airline Houston, Texas 77022
	Northeast Campus	555 Community College Drive Houston, Texas 77013
	Northline Mall Center	401 Northline Mall Houston, Texas 77022
	Pinemont Center	1265 Pinemont Houston, Texas 77018
Southeast	Eastside Campus	6815 Rustic Houston, Texas 77087
	Health Science Center	1900 Galen Drive Houston, Texas 77030

Source: Houston Community College System Web site www.hccs.edu/new/mappg.

HCCS offers instructional programs that cover more than 40 disciplines. The institution awards associate degrees in Arts, Science and Applied Sciences. HCCS also offers many non-degree programs in continuing education, business and professional development and adult education. HCCS counted 54,749 students on its rolls for the 2002 fall semester in both credit and noncredit courses.

Exhibit 1-2 shows HCCS' taxing and election district boundaries. The system is not limited, however, to providing service within these boundaries. In 1995, the 74th Legislature assigned the service areas of all community or junior college districts in an effort to afford all Texas communities the opportunities offered through community colleges.

Exhibit 1-2
HCCS' Board Districts
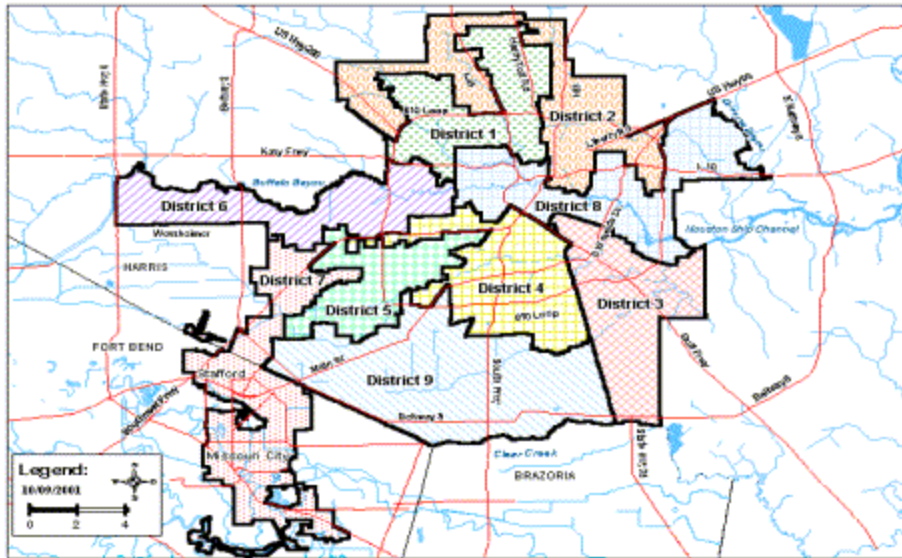
Source: Houston Community College System Web site
www.hccs.edu/system/boardserv/board_map.htm.

Texas Education Code (TEC) §130.182 mandates that HCCS serve
Houston proper, the Stafford Municipal School District and the Katy,
Spring Branch, North Forest and Alief ISDs. HCCS has facilities in both
Harris and Fort Bend counties. **Exhibit 1-3** shows a comparison of HCCS'
tax districts to its service areas.

Exhibit 1-3
HCCS' Service Districts
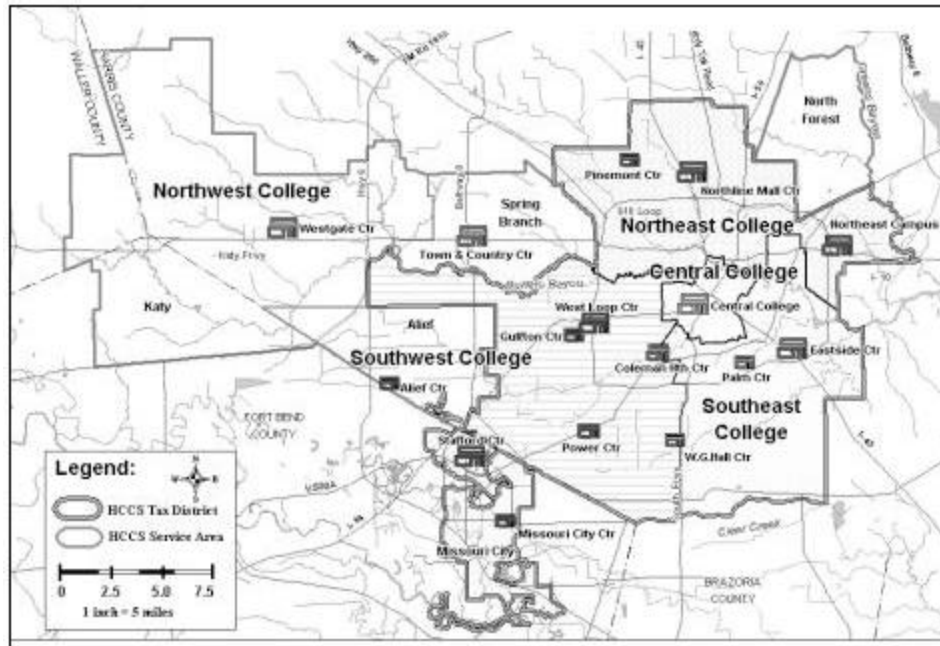
Source: Houston Community College.

Although the school districts of Alief, Katy, North Forest and Spring Branch receive services from HCCS, the residents of these districts do not pay taxes to HCCS. To compensate, students from these districts pay higher fees than students living within the system's taxing district.

Exhibit 1-4 shows the districts that HCCS serves outside of its taxing jurisdiction. This exhibit shows the student enrollment for each school district and the total property values of the district. The exhibit also shows the estimated additional tax revenue to HCCS were the districts to fall within the taxing jurisdiction of HCCS.

Exhibit 1-4
HCCS Out-of-District Service Areas
2001-02

School District	Student Enrollment	Property Value	HCCS Tax Rate	Estimated Additional Tax Revenue
Alief	43,630	$7,208,813,486	$0.081233	$5,855,935
Katy	37,211	$8,669,541,052	$0.081233	$7,042,528
North Forest	11,699	$878,098,032	$0.081233	$713,305

Spring Branch	32,540	$11,527,846,951	$0.081233	$9,364,416
Total	**125,080**			

Community college systems can expand their taxing districts through annexation. Annexation occurs when a board votes to annex an area, and the area residents vote to join the system. Under state law, residents agree to additional property taxes in exchange for reduced fees for students who live in the annexed area. Annexation also affords the community representation on the community college Board of Trustees.

Although HCCS trustees voted six to three in 1999 to annex Missouri City, Katy and North Forest ISDs, the board has not yet decided to present residents of Katy and North Forest with a vote to join HCCS' taxing district. In 2000, of Missouri City voted to annex itself to HCCS.

Because HCCS needs to expand its facilities, it is considering a bond election. HISD successfully passed an $809 million bond election in November 2002. The board believes that the success of that bond election indicates that the community will support additional bond issues. HCCS last presented a $300 million bond package to voters in 1993 - it failed by a margin of two to one.

The Texas Higher Education Coordinating Board (THECB) provides oversight to Texas colleges and universities. The Legislature created THECB in 1965 to provide the Texas higher education system leadership and coordination in achieving excellence for the college education of Texas students. The board assesses the state of higher education in Texas and develops recommendations for the Governor, Legislature and institutions to enhance and establish policies for the efficient and effective use of the state's higher education resources. The board reviews and recommends changes in formulas to allocate state funds to public institutions and works with higher education institutions, the Governor and the Legislature to ensure that all Texans have access to high quality programs. The board also administers the state's student financial aid programs.

In 1999, THECB decided to develop a new higher education plan. The board finished the plan's first draft, the *Closing the Gaps* initiative, in July 2000. The board designed the *Closing the Gaps* outreach effort to motivate students to pursue college educations and to mobilize support groups to

create an environment that promotes higher education. THECB adopted the plan in October 2000.

The plan is designed to close educational gaps in four areas: student participation, student success, excellence and research. Student participation goals include increasing enrollment rates among students across Texas and adding 500,000 more students by 2015. The student success goal seeks to increase the number of degrees, certificates and other measures of student successes by 50 percent. The excellence and research goals focus on increasing the number of nationally recognized programs or services at colleges and universities. The plan also has a research goal of increasing the level of science and engineering research funding to Texas institutions to $1.3 billion, an increase of 50 percent. Since THECB adopted the new plan, the Legislature has passed a number of bills supporting and ratifying the goals of the initiative. **Exhibit 1-5** presents an overview of the *Closing the Gaps* initiative.

Exhibit 1-5
Closing the Gaps
The Texas Higher Education Plan
2000

GOAL 1: CLOSE THE GAPS IN PARTICIPATION **By 2015, close the gaps in participation rates across Texas to add 500,000 students.**
Strategies for the State:
I. Recruit, prepare and retain additional well-qualified educators for elementary and secondary schools.
II. Make the Recommended High School Program the standard curriculum in Texas public high schools and make it a minimum requirement for admission to Texas public universities by 2008.
III. Ensure that all students and their parents understand the benefits of higher education and the necessary steps to prepare academically and financially for college.
IV. Establish an affordability policy that ensures students are able to participate and succeed in higher education.
GOAL 2: CLOSE THE GAPS IN SUCCESS **By 2015, increase by 50 percent the number of degrees, certificates and other identifiable student successes from high quality programs.**
Strategies for the State:
I. Focus college and university efforts on increasing graduates in education,

engineering, computer science, math, physical science, allied health, nursing and other critical fields.
II. Carry out the state's Uniform Recruitment and Retention Strategy and other efforts aimed at making college and university enrollment and graduation reflect the population of Texas.
III. Fund colleges and universities to reward increases in retention and graduation from high quality programs.
IV. Create incentives and requirements for seamless student transitions among high schools, community and technical colleges, universities and health-related institutions.
V. Make partnerships and collaborations between the business community and higher education institutions a part of the culture of these organizations.
GOAL 3: CLOSE THE GAPS IN EXCELLENCE **By 2015, substantially increase the number of nationally recognizedprograms or services at college and universities in Texas.**
Strategies for the State:
I. Establish ladders of excellence for different types of institutions.
II. Fund competitive grants to community and technical colleges and universities to match business contributions for acquiring equipment and software and maintaining high-tech instructional laboratories.
Strategies for the State:
I. Permit universities, like health science centers, to retain all overhead income from grants and contracts.
II. Establish the Texas Science and Engineering Collaborative to expand research in focused areas through collaboration among institutions.
III. Increase funding for the Advanced Research/Advanced Technology Programs.
IV. Establish a competitive grant program to expand research and research capacity at developing research universities in current and projected major urban areas.

Source: THECB, "Closing the Gaps" report, 2000.

HCCS is accredited as a single institution through SACS, the recognized regional accrediting body in the 11 southern states of Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Texas and Virginia. SACS is one of six private, nonprofit, voluntary regional accrediting associations established to

improve education in colleges and schools by evaluating institutions against a set of criteria. Accreditation by SACS means that an institution meets the criteria or established standards and serves as an indicator of an institution's commitment to quality and continuous improvement. Receiving college credit from an accredited institution aids students in transferring credit from community colleges to other colleges or universities.

The SACS evaluates HCCS every 10 years. The process begins with a required self-study and is followed by an on-site visitation from a SACS peer review team. HCCS received its most recent SACS evaluation in 2002. The SACS visitation team issued a report of HCCS findings and recommendations in March 2002. SACS required HCCS to respond to the 34 recommendations contained in the report before accrediting HCCS. On December 9, 2002, SACS reaffirmed HCCS' accreditation. **Exhibit 1-6** presents an overview of 14 key recommendations contained in the SACS report and provides the system's responses.

Exhibit 1-6
SACS Visitation Committee Report - 2002

SACS Finding	HCCS Response
A number of program evaluations lack both measurable results and documentation that the evaluation process has been used for improvement.	• Created and implemented Annual Progress Report Form for all program reviews. • Reaffirmed program review cycles.
Some of HCCS' colleges lack stated goals and/or processes for evaluation and improvement.	• Created the Institutional Effectiveness (IE) Portal in 2000-01, which includes this information. • Established a schedule for completion of all IE activities processes. • Setup training for all new unit managers to ensure they completed the process. • Ensured all units completed the process.
No process exists for assessing graduate competence in oral communication and computer literacy.	• Revised core curriculum to include oral communications component. • Included the program recommended in the Secretary of Labor's Commission on Achieving Necessary Skills report for all workforce degree plans, which

	includes oral competence and computer literacy. • Continued to implement a Title V Grant and a Texas Telecommunications Infrastructure Fund (TTIF) grant to integrate/increase the available technology resources. • Attempting to include computer literacy in all courses.
No systematic program exists for academic advising of undergraduates.	• Created the HCCS Student Success Model to formalize the advising program.
The number of advising counselors is too low for the number of students, and counselors have many other time-intensive responsibilities.	• Adjusted ratio of counselors to students at individual campuses to achieve at most a 1/1200 ratio. • Required any deviations from this ratio to be approved by the President's Council. • Examined the number of available Student Service Associates to handle extra tasks and hired an additional distance education counselor.
The policies and procedures for hiring faculty, as well as the data in the applicant pool, is not processed and disseminated effectively.	• Created the Employment Process Committee to look for ways to improve. • In the process of establishing formal recruitment procedures and an annual calendar of hiring. • Created a regularly updated list of all adjunct faculty members in HR that can be found online or obtained on request.
There are a disproportionate number of classes being taught by part-time faculty in some departments.	• Increased 2002-03 budget to allow hiring of new full-time faculty to teach at least 60 percent of all classes. • Set a minimum threshold so that full-time faculty must teach 50 percent of all sections. • Created a quarterly report to track current ratios of full-time to part-time

	teaching.
No clear documentation exists for faculty salary increases. Initial step levels and horizontal movements on the salary scale are not clearly defined.	• HCCS uses a "range-based" system, rather than a step-based system.
The faculty evaluation process is not uniformly or consistently administered across the system.	• Compiled a list of all outstanding full-time faculty evaluations under their current system, which was given to each college president. • Provided status updates to presidents one month later.

Library services are not grouped for individual colleges, making site-specific information hard to find. There is also no evaluation for distance learning library services.	• Updated the program review process to address these problems. Specifically:
	
	  ○ The library's ongoing planning and evaluation process;
	  ○ How librarians work with faculty to develop services to meet student and instructional needs;
	  ○ The role of college advisory committees;
	  ○ Evaluation criteria used to meet the needs of users and support of institutional programs and purposes;
	  ○ How user satisfaction is documented;
	  ○ Measures used to quantify library use; and
	  ○ How results of evaluations are used to make changes and improve services.

The Student Financial Aid (SFA) department may have inadequate funding and scholarships do not have enough publicity throughout the college community.	• Already budgeted for 10 new positions in SFA. • Launched a $1 million marketing campaign that includes extra publicity for scholarships. • Updated the financial aid Web pages to include additional information and

	• allow students to apply online. • Hosted a systemwide financial aid forum.
Linkage of the program review process to the new budget process is weak.	• Developed an Annual Planning/Budget Timetable to strength the linkage.
There is no documented plan for handling deficits incurred by auxiliary enterprises beyond fiscal year 2000-2001	• The Board of Trustees approved a policy to handle deficits and surplus funds.
College facilities need to be expanded, renovated and brought to adequate levels.	• Increased funding for facilities expansion and renovations. • Purchased new land and began work on new facilities. • Made all preparations for an upcoming general obligation bond to fund facilities in the long-term.

Source: Response to the "Report of the Reaffirmation Committee," Southern Association of Colleges and Schools, August 2002.

Dr. Bruce Leslie served as the interim chancellor from October 23, 2000 until his appointment as permanent chancellor on January 5, 2001.

Texas School Performance Review (TSPR) teams ask community colleges to select other Texas community colleges as their peer colleges. The review team compares the community college against its chosen peers to highlight the college's successes and identify opportunities for improvement. HCCS selected Dallas County Community College District (DCCC), Alamo Community College District (ACCD), North Harris Montgomery Community College District (NHMCCD) and Austin Community College (ACC) as its peer colleges. **Exhibit 1-7** compares demographic and tax data of HCCS and its peer colleges.

Exhibit 1-7
Demographic and Tax Data
HCCS and Peer Colleges
2001-02 and 2002-03

	HCCS	Alamo	Austin	Dallas	North Harris

					Montgomery
Enrollment Fall 2001*	**34,714**	42,044	27,577	50,191	29,386
2002-03 Appropriation ($ in millions)	**$133**	$120	$77	$172	$78
M&O Tax Rate 2001-02	**$0.081233**	$0.0898	$0.05	$0.06	$0.076
Debt Service Tax Rate 2001-02	**$0.0**	$0.0148	$0.0	$0.0	$0.034
Total Tax Rate 2001-02	**$0.081233**	$0.1046	$0.05	$0.06	$0.11
Total Property Valuation 2001-02 ($ in millions)	**$68,655**	$51,450	$45,905	$127,871	$57,541

Source: THECB, Statistical Report; Legislative Budget Board; Texas Association of Community Colleges as of the years indicated.
*Represents students enrolled in credit only courses and therefore does not include continuing education students.

HCCS faces a number of significant issues including annexing outlying areas surrounding Houston proper, continued enrollment growth, a possible bond election to increase the system's infrastructure, establishing international partnerships and meeting the economic development needs of local businesses. The college must also meet the demands of THECB's *Closing the Gaps* initiative.

Chapter 1
GOVERNANCE AND LEADERSHIP

A. Governance and Board Policies

Community college boards should focus on ensuring they consider the public interest in all decisions. To a great extent, the ability of boards to perform these duties effectively is determined by their knowledge and recognition of the separation of their role from that of the chancellor. The chancellor serves as the administrative leader responsible for policy implementation and day-to-day operations. An effective chancellor supports the system administrators and the board's responsibility as facilitator. The chancellor also guides the board in setting strategic direction and creating enabling policy. It is important that the system administrator or chancellor help board members fulfill their duties by providing training opportunities and instituting procedures that facilitate effective board meetings, open communications and timely transfer of information.

A nine-member board governs HCCS. Board members serve staggered six-year terms. Each board member's district elects a single board member. **Exhibit 1-8** shows HCCS' Board of Trustees, their terms of office, occupations and the district from which they were elected. Some districts initially appointed their current board member when their elected board member resigned from the position. The board elects its officers.

Exhibit 1-8
HCCS' Board of Trustees
2002-03

Trustee	Occupation	Date Elected/ Appointed	Term Expires	Length of Service on Board	District
James R. Murphy, Chairman	General Manager	Elected 11/4/97	2003	5 years	VI
Herlinda Garcia, Vice Chairman	Elementary School Principal	Appointed 3/9/89 Elected 11/5/91	2003	13 years	III
Herman Litt, Deputy Secretary	Psychologist	Elected 12/4/99	2005	2 years	V

Christopher W. Oliver, Secretary	Director	Appointed 5/31/95 Elected 11/7/95	2005	7 years	IX
Yolanda Navarro Flores	Attorney	Elected 11/6/01	2007	1 year	I
Bruce A. Austin	Government Employee	Appointed 3/9/89 Elected 11/7/89	2007	13 years	II
Michael P. Williams	Pastor	Elected 11/2/99	2005	2 years	IV
Jay K. Aiyer	Attorney	Appointed 5/10/01 Elected 11/6/01	2007	1 year	VII
Abel Davila	Pharmacist	Elected 11/4/97	2003	5 years	VIII

Source: Houston Community College System, Board Services.

The HCCS Board Services Department provides administrative support to the board. Responsibilities of the department include taking and transcribing minutes from all regular and special board meetings as well as all board committee meetings, coordinating board travel arrangements, coordinating the agenda development process, posting all minutes and agendas and developing and coordinating board member information packets. The Board Services Department staff consists of an administrative assistant, a secretary and a part-time office assistant. **Exhibit 1-9** presents the 2002-03 department's $174,651 budget detail.

Exhibit 1-9
HCCS Board Services Department Budget
2002-03

Account Code	Account Name/Item	Amount
61052	Secretarial Salary - Part Time	$8,269
61101	Professional Salary - Full Time (2 FTE's)	$56,382
Subtotal Salaries and Wages		**$64,651**
62001	Supplies and General Expense	$27,000

62021	Printing - General	$5,000
62061	Postage	$100
62073	Travel - Out of State	$45,000*
65001	Consultant Services Fees	$1,000
65013	Other Contract Service Fees	$15,000
65507	Institutional Membership Fees	$6,000
67103	Repair/Maintenance - Furniture and Equipment	$1,000
71001	Educational Furniture and Equipment	$4,500
71006	Computer Hardware ($500)	$3,600
71007	Computer Printer ($5,000)	$1,800
Subtotal Other Expenses		**$110,000**
Total		**$174,651**

The board has final authority to determine and interpret the policies that govern the system. Additional duties and responsibilities of the board, as listed on the board's Web page include:

- clarifying the mission of the institution;
- approving long-range plans;
- approving the educational program;
- ensuring the well being of faculty, students and staff;
- ensuring strong financial management;
- ensuring adequate financial resources;
- appointing, supporting and assessing the performance of the chancellor;
- interpreting the campus to the community;
- serving as court of appeal; and
- assessing their own performance.

The board must conduct its meetings according to state guidelines, particularly in regard to compliance with open meetings requirements. To be productive, the meetings must be orderly and board members must

have adequate information in sufficient time to be fully prepared to make sound decisions.

HCCS generally conducts its monthly board meetings at the HCCS Administration Building, 3100 Main Street, in the second floor auditorium. HCCS usually schedules its meetings on the fourth Thursday of each month at 4 p.m. The system holds additional special meetings as necessary. Each regular board meeting provides citizens an opportunity to make public statements. Interested members of the public must sign up with the administrative assistant for Board Services 24 hours prior to the meeting at which they would like to speak. HCCS provides citizens who signed up four minutes each to make their statements.

Boards set policies that guide the institution. Having a clear set of policies that are current and integrated or cross-referenced to current laws, rules and regulations and available to every staff member is important to the overall organizational health of an institution. Policies also help an institution to guard against possible lawsuits and penalties that may result if individual employees of that institution inadvertently violate laws, rules or regulations.

FINDING

HCCS' Board Services has developed an effective and efficient way to track board action items. The administrative assistant for Board Services maintains a database of all board action items that she updates after each board meeting. If someone needs to research an issue on which the board has taken action, the administrative assistant can search the database and locate the minutes from the appropriate meeting with minimal effort.

The administrative assistant for Board Services developed this database in 1990 to assist her research on board action items. The database separates each entry by topic, such as "Instructional Matters," "Purchasing of Materials and Services" or "Fiscal Matters." Each entry also includes key words for cross-referencing purposes.

Exhibit 1-10 presents a sample entry in the database for the regular board meeting that HCCS held on February 22, 2001.

Exhibit 1-10
HCCS' Database of Board Action Items
February 22, 2001 - Regular Board Meeting

Topic	Action Item
General	• Approved minutes from regular meeting of August

	31, 2000 and Chancellor Search Committee Meeting of September 15, 2000.
Board Matters	• Accepted the resignation of Trustee W.F. Russell and declared a trustee vacancy in District VII.
Instructional Matters	• Approved affiliation agreements with various institutions for Health Careers Programs, Southeast College. • Approved 2000-01 federal Workforce Investment Act agreements with two agencies to provide services to the Adult education and Literacy Program *(cross reference: adult literacy).*
Purchasing of Materials and Services	• Approved the purchase of annual electronic database subscriptions for System libraries from Bell & Howell. • Approved the purchase of annual electronic database subscriptions for System libraries from H.W. Wilson.
Real Estate and Property Matters	• Authorized Hermes Reed Architects to complete a Facilities Assessment and Master Planning Study for a fee not to exceed $308,150 *(cross reference: strategic planning).*
Fiscal Matters	• Approved the investment report for the month of January 2001.
Other	• Approved continued participation in the Gulf Coast Consortium marketing initiative. • Approved the acceptance of gifts and donations.

Source: Index to HCCS Board Actions, 2000-01 and 2001-02.

The administrative assistant simplified HCCS' ability to review board actions by developing this database. For instance, during the March 2002 SACS accreditation review HCCS needed to perform a self-study. The committee formed to compile the SACS data was able to obtain the necessary data in a timely and efficient manner because the administrative assistant for Board Services could quickly access information on board actions and decisions by searching the database. In another example, when the Board's Chancellor Search Committee needed information in October

2000 on the two previous chancellor search processes, the administrative assistant for Board Services used the database to prepare a history of the previous searches and presented it in chronological order to help the committee determine its process.

COMMENDATION

HCCS maintains an efficient database for documenting and researching board action items.

FINDING

HCCS uses a variety of mechanisms to make its board meetings available to the public. HCCS broadcasts its board meetings on the system's cable television channel, HCCTV. The Board Services Department transcribes the minutes from board meetings. The department provides hard copies of the minutes to the public upon request and also places the minutes on the system's Web site at http://www.hccs.edu/system/boardserv/board_meetings.htm. The department also places the minutes of all committee meetings on the Web site.

HCCS also makes audio and video recordings of all committee and board meetings. Community members can access these recordings on request. The HCCS board can communicate with a broader community base by providing open access to its meetings and minutes using a variety of formats. This allows community members to stay abreast of HCCS events and issues.

COMMENDATION

HCCS allows the general public to access board meetings and minutes in several ways.

FINDING

Not all HCCS board members receive adequate continuing education in board governance issues. A review of school board travel files shows that some board members attend training sessions on a regular basis, while others do not. Although neither the TEC nor the Texas Administrative Code (TAC) requires community college board members to attend mandatory continuing education courses, there are several opportunities available to board members to obtain training in the areas of governance, finance, budgeting, leadership and team-building.

Exhibit 1-11 shows detail of all board travel and the purpose for the travel during 2001 and 2002. As this exhibit shows, even though HCCS provides many training opportunities to board members, their attendance at conferences and training is infrequent. Since there is no requirement to track board member training hours, the review team compiled this list by reviewing the board's travel files.

Exhibit 1-11
HCCS Board Travel
2001 and 2002

Dates of Travel	Destination	Purpose	Board Member(s) Attending
2/2 - 2/6/01	Washington, D.C.	Association of Community College Trustees Legislative Summit	E, I
2/8 - 2/13/01	Orlando, FL	Community Colleges Futures Assembly	H
3/30 - 4/2/01	San Francisco, CA	Association of Governing Boards	C, D
4/26 - 4/29/01	Washington, D.C.	Mexican American Legal Defense Education Fund Conference	C
4/4 - 4/8/01	Chicago, IL	American Association of Community Colleges Annual Conference	H
6/13 - 6/16/01	Chicago, IL	Association of Community College Trustees Regional Conference	I, B
9/21 - 9/22/01	San Antonio, TX	Mexican American Legal Defense Education Fund Conference	B, C
10/26 - 10/29/01	San Juan, Puerto Rico	Hispanic Association of Colleges and Universities	C
8/5 - 8/6/02	Mexico City, Mexico (1)	Recognition from Vicente Fox administration	H
7/11 - 7/14/02	Portland, OR (2)	National Community College Hispanic Council	A
6/27 - 6/29/02	Albuquerque, NM	National Association of Latino Elected and Appointed Officials Educational Fund 19th Annual	C

		Conference	
6/9 - 6/12-02	Las Vegas, NV	Association of Community College Trustees Regional Seminar	A, C
4/20 - 4/23/02	Boston, MA	Association of Governing Boards of Universities and Colleges Conference on Trusteeship	I
2/10 - 2/13/02	Washington, DC	American Association of Community Colleges Conference	I

Source: HCCS board travel records for the dates indicated.
(1) Purpose of trip was for HCCS board member to receive recognition.
(2) Purpose of trip was to make a presentation.
Note: Board members are represented with letters.

In addition to attending training sessions, the board hosts workshops to obtain specific information about pertinent topics. **Exhibit 1-12** presents the HCCS board workshops between 2000 and 2002. The board also receives informal training during committee and board meetings through the board attorney or other staff members.

Exhibit 1-12
HCCS Board Workshops
2000 through 2002

Date	Purpose	Facilitators	Trustees Present	Trustees Absent
12/8-12/9/00	• To address key issues defined by the board • To review the SACS report and HCCS' Action Plan Response • To review the Chancellor's Search Process • To agree on a follow-up retreat date and agenda.	• Bob Barringer, President, Gold Hill Associates • John E. Roueche, Ph.D., Sid Richardson Chair and Director, Community College Leadership	B, C, D, E, F, H, I, J*, K*	None

		Program, University of Texas • David Rutledge, Trustee, Washtenaw Community College, Michigan • J. William Wenrich, Ph.D., Chancellor, Dallas County Community College District		
3/9-3/10/01	• Board/Chancellor Relations	• Dr. Charles V. Willie, Harvard Univ. (Retired) • Dr. Alfredo de los Santos, Jr., Professor, Arizona State University	B, H, C, F, I, J*, K*, D	E
8/10-8/11/01	• Board Self-Assessment	• Jill Derby, Ph.D., AGB	B, F, E, D, G, H, K*	C, I
3/8-3/9/02	• 5-10 year Strategic Planning in view of *Closing the Gaps* Initiative • College Priorities for 2003 • Performance Objectives	• HCCS staff	F, E, C, H, G, B, A, I	D

	• Chancellor's Quarterly Evaluation			
10/19/02	• Strategic Planning • Chancellor's Quarterly Evaluation	• HCCS staff	Not available	Not available

Source: HCCS Board Services.
*Denotes former board members serving prior to the November 2001 election.
Note: Board members are represented with letters.

Exhibit 1-13 shows the travel budget for the board compared to actual expenditures. This exhibit indicates that although the board plans for training opportunities, it does not take full advantage of budgeted funds each year. For example, in 1999-2000 and 2001-02, the board's travel expenditures were under budget by $13,384 and $10,252, respectively.

Exhibit 1-13
HCCS Board Travel
Budgeted and Actual Expenditures
1998-99 through 2001-02

Fiscal Year	Budgeted Expenditures	Actual Expenditures	Under/(Over) Budget
1998-99	$23,900	$21,129	$2,771
1999-2000	$22,900	$9,516	$13,384
2000-01	$26,094	$26,093	$1
2001-02	$28,800	$18,548	$10,252

Source: HCCS board travel expenditure report for department 0021-111,
accounts 62073 and 65509 for the years indicated.

Many governing boards develop training plans for each board member as they develop their training budgets for the upcoming fiscal year. Boards review the training each member attended in the past year and consider the upcoming issues facing the board when developing the training budgets.

This way, the board ensures that all members receive adequate and appropriate training.

Several organizations offer training opportunities for community college trustees, including: the American Association of Community Colleges, the Association of Community College Trustees, Association of Governing Boards of Universities and Colleges, the National Council of State Directors of Community Colleges and the Texas Association of Community Colleges. Houston law schools and universities also provide many opportunities for customized training including: the University of Houston, Texas Southern-Thurgood Marshall School of Law and South Texas College of Law.

Recommendation 1:

Develop individual training plans for each board member that are appropriate to the needs of the board as a whole.

In addition to providing training opportunities for the board, Board Services should track continuing education hours so that the board can identify what type of additional training individual board members should attend.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The chancellor and board meet to determine what types of training the board needs for the next two years.	July 2003
2.	The board directs the chancellor to identify training opportunities or to schedule trainers to meet with the board as previously determined.	September 2003
3.	The board receives training.	Ongoing
4.	The administrative assistant for Board Services tracks all training received by individual board members so the board and chancellor can review and make further training decisions for the future.	Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

HCCS board members are not in compliance with the Public Funds Investment Act (PFIA) contained in the Texas Government Code, Chapter

2256. The act requires that the governing boards of certain state agencies and institutions of higher education receive PFIA training every two years. The act requires newly elected or appointed members to attend this training within six months of board elections.

THECB, among other providers, offers PFIA training for board members at workshops it conducts in Austin. THECB also offers a video training program that requires trainees to view a video and read the act.

The external audit's management letter for 2000-01 cited the board for not complying with the training provisions of PFIA. The management letter stated:

> *The Public Funds Investment Act requires that new members to the Board of Trustees obtain specified training within six months of taking office. We were told that such trustees have had the required training; however, no certificate or other form of documentation is maintained regarding the completion of the courses. We recommend that Board Services maintain documentation concerning the completion of training mandated by the Public Funds Investment Act.*

A review of district files shows that in 1998 all nine trustees obtained the necessary training. However, two years later, only three board members had attended the required training. In accordance with the PFIA requirements, HCCS board members needed to receive training again in 2000. Documentation shows that three members received training in 2002.

The administrative assistant for Board Services told the review team that all board members had received a copy of the Public Funds Investment Act and a training video to view. However, not all board members verified that they participated in the self-training exercise. Although THECB does not monitor compliance with PFIA training, the State Auditor's office does.

Recommendation 2:

Ensure that all HCCS board members receive required Public Funds Investment Act training and monitor, track and report on the training.

Board Services should track all training requirements and deadlines. The department should also track whether or not board members comply. The board should review compliance with the act during regular board

meetings. The board should advise any board members found to be out of compliance to obtain PFIA training.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The deputy to the chancellor directs the administrative assistant for Board Services to develop a mechanism to track board training requirements and deadlines and monitor whether or not individual board members comply.	July 2003
2.	The administrative assistant for Board Services develops a spreadsheet that lists training requirements by board member, with fields to show whether individual board members have received the necessary training.	July 2003
3.	After three notices of non-compliance, the administrative assistant for Board Services notifies the chancellor of those board members who remain out of compliance with training requirements.	Ongoing
4.	The chancellor addresses the training requirements with individual board members, as necessary.	Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

HCCS board members do not receive orientation training when first elected to the board. HCCS provided the review team with a copy of an HCCS board orientation manual that it gives to all new board members. The manual, dated May 2001, does not provide sufficient orientation for new board members. The lack of proper orientation places board members at risk of not understanding their role and how the institution conducts business.

The administrative assistant for Board Services told the review team that the deputy to the chancellor was working on an orientation program for new board members. HCCS put these plans on hold because the deputy to the chancellor is covering another position on an interim basis.

The orientation manual, which totals 168 pages, contains a table of contents but the pages aren't numbered, making it difficult to locate specific information. The manual also does not contain an index for ease of reference. **Exhibit 1-14** shows the organization and layout of the orientation manual.

Exhibit 1-14
HCCS Board of Trustees Orientation Manual
May 2001

Topic	Number of Pages
Table of Contents	1
Welcome Letter From the Chancellor	1
An Introduction to Trusteeship: Responsibility and Commitment	1
Board Roles and Responsibilities*	4
Standards of Good Practice*	1
HCCS Board Policy Manual**	73
The Board Services Office: A Comprehensive Support System for Trustees	2
Trustee Benefits: Sharing College Incentives	1
Board Member Contact Information	1
Board Member Resume Information**	12
Schedule of Board Meetings	1
Financial Model Analysis	35
List of Board Committees	1
History of HCCS	2
List of Administrators	1
HCCS Organizational Charts**	9
HCCS Facts**	2
HCCS Strategic Plan 2000-2003**	20

Source: HCCS, Orientation Manual, May 2001.
*Printout from the Association of Community College Trustees' (ACCT) Web site.
**Printout from the HCCS Web site.

HCCS staff downloaded most of the material in the manual from the
Internet, including some items that are posted on the HCCS Web site.
However, many policies contained in the manual are outdated and no
longer in use. The manual contains samples of detailed financial reports

but does not explain what the reports are or how to read them. In addition, the manual does not contain information about the TEC or Texas Administrative Codes (TAC) as they pertain to institutions of higher education, or key information on the Public Funds Investment Act (PFIA) or THECB.

In his book, *Handbook of College and University Trusteeship*, Richard Ingram states that a well-conducted orientation process is essential to good board governance. He further warns against overloading trustees with literature without an orientation session to explain it. He states, "Provide something [to new board members] that looks like the *Encyclopedia Britannica* and new board members not only won't read it, they may turn and run."

Exhibit 1-15 outlines the elements of a good trustee orientation program.

Exhibit 1-15
Trustee Orientation Program

Process/Topic	Steps
Orientation Timing	- Two full days optimal, but one full day adequate - Separate from regular board meeting - Allow new member to attend one board meeting before attending orientation
Content	- Clearly define objectives of orientation - Cover orientation to the institution and orientation to the trusteeship - Conduct a physical tour of the institution
Resources	- Provide a brief summary of key institutional data, but avoid providing too much data that cannot be absorbed - Provide a "recommended reading" list of resource materials to new trustees - Involve the chief executive, board chair, one or two experienced board members and two administrative officers in orientation
Program Evaluation	Obtain feedback on the usefulness of the orientation

Source: "Handbook of College and University Trusteeship," Richard T. Ingram and Associates, 1980.

Successful institutions ensure that their governing boards receive training soon after being elected. Culver-Stockton College (C-SC) in Canton, Missouri provides an orientation session that spans three days. C-SC allows new trustees to interact with a variety of individuals from the institution, including experienced members of the governing board. The activities planned for orientation are spaced well enough apart and mix formal meetings and gatherings with informal ones. This allows ample opportunities for newly elected board members to interact with key individuals. **Exhibit 1-16** provides a schedule of one of C-SC's trustee orientation sessions.

Exhibit 1-16
New Trustee Orientation
Culver-Stockton College

Wednesday	
6:00 p.m.	Informal Reception Gladys Crown Student Center, College Lounge
7:00 p.m.	Trustees' Dinner Gladys Crown Student Center, President's Dining Room "The College in Perspective"
Thursday	
7:30 a.m.	Trustees' Breakfast Gladys Crown Student Center
8:30 a.m.	Trustee Orientation Henderson Hall, Board Trustee Room "Our Academic Goals and How We Implement Them"
10:00 a.m.	Coffee
10:30 a.m.	Trustee Orientation Henderson Hall, Board of Trustee Room "How We Conserve Our Resources and Control the Budget"
Noon	Luncheon Gladys Crown Student Center, President's Dining Room Special Guest: Student Organization Presidents
1:30 p.m.	Trustee Orientation Henderson Hall, Board of Trustee Room "How We Get There from Here"
3:00 p.m.	Coffee Hosted by the Dames Club
3:30 p.m.	Trustee Orientation

	Henderson Hall, Board of Trustee Room "How We Recruit and Serve Our Students"
5:00 p.m.	An Introduction to Trusteeship Henderson Hall, Board of Trustee Room "The Measure of the College"
6:30 p.m.	Trustee Dinner Gladys Crown Student Center, President's Dining Room
8:30 p.m.	"Three-Penny Opera" Presented by the Culver-Stockton Division of Fine Arts
Friday	
8:30 a.m.	Meet With Members of Administration and Faculty. President's Office Complex
10:00 a.m.	Meet With College Development Council Henderson Hall, Board of Trustee Room
11:30 a.m.	Meet with Parent's Association Henderson Hall, Board of Trustee Room
Saturday	
9:00 a.m.	Trustee Breakfast Student Cafeteria
11:00 a.m.	Football Game

Source: Culver-Stockton College, Trustee Orientation, January 2003.

Recommendation 3:

Develop a comprehensive orientation and training program for new board members.

A proper orientation and training program will: explain to new board members their proper role as policy setters and financial guardians; discuss the appropriate relationship between the board and staff; give an overview of existing HCCS policies; explain how to read and monitor system financials and review the importance of strategic planning.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The chancellor directs the deputy to the chancellor to develop a comprehensive board orientation program.	July 2003
2.	The deputy to the chancellor prepares an orientation program	September

	outline and presents the outline for the chancellor's approval.	2003
3.	The chancellor reviews and approves the orientation outline.	November 2003
4.	The chancellor implements the new board member orientation program.	As needed

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 1
GOVERNANCE AND LEADERSHIP

B. Management and Organization (Part 1)

The organizational structure of an entity defines the reporting relationships and communications that take place within an organization.

HCCS appointed Dr. Bruce Leslie as chancellor on January 5, 2001. Chancellor Leslie signed a three-year rolling contract. The contract allows the board to offer contract extensions after its annual evaluations of the chancellor. The board voted to extend the chancellor's contract from 2003 to 2004.

Although the HCCS process of conducting chancellor performance evaluations has been in effect for at least 10 years, the system has changed its review process, procedures and performance indicators over time. The review team received copies of performance evaluations of the two previous chancellors as well as the most recent evaluation of Chancellor Leslie.

The most recent chancellor performance evaluation included a presentation of the Chancellor's Quarterly Assessment, October 22, 2002. In this assessment, the chancellor outlined 11 strategic priorities for 2002-03:

- student success and achievement;
- *Closing the Gaps* initiative;
- strategic planning and information technology;
- general obligation bond;
- annexation;
- marketing, government and community relations;
- Baldridge Award/customer service;
- finance/performance audit;
- board development and policies;
- employee compensation; and
- foundation capital campaign.

The chancellor's executive team consists of the vice chancellor for Educational Development, vice chancellor for Institutional Development, vice chancellor for Economic Development, vice chancellor for Finance and Administration, deputy to the chancellor, executive director of Human Resources, associate vice chancellor for Communications and director of Internal Audit and the general counsel. Five college presidents report

directly to the chancellor and are members of the chancellor's executive team (CET).

Exhibit 1-17 shows the number of positions reporting to each of the vice chancellor positions, as well as the major functions handled by each position.

Exhibit 1-17
HCCS' Vice Chancellor Responsibilities
2002-03

Vice Chancellor-Educational Development	Vice Chancellor-Institutional Development	Vice Chancellor-Economic Development	Vice Chancellor-Finance and Administration
6 Direct Reports*	4 Direct Reports*	5 Direct Reports*	5 Direct Reports*
Educational Development	Institutional Research	Corporate Training and Continuing Education	Financial Control
Workforce Development	Information Technology	Foundation	Business Affairs
Instructional Computing	Student Services	Small Business and Community Programs	Purchasing
International Initiatives	Title V Grants	Conferencing Services	Facilities
Central Library		Alumni Relations	Benefits**
Transfers			

Source: HCCS, organizational charts and interviews with staff.
* Direct reports do not include clerical positions.
** Temporary assignment.

The administrative assistant for Board Services, who reports to the deputy to the chancellor, provides board administrative support. **Exhibit 1-18** presents the organizational structure of the system.

Exhibit 1-18
Organization of HCCS

2002-03
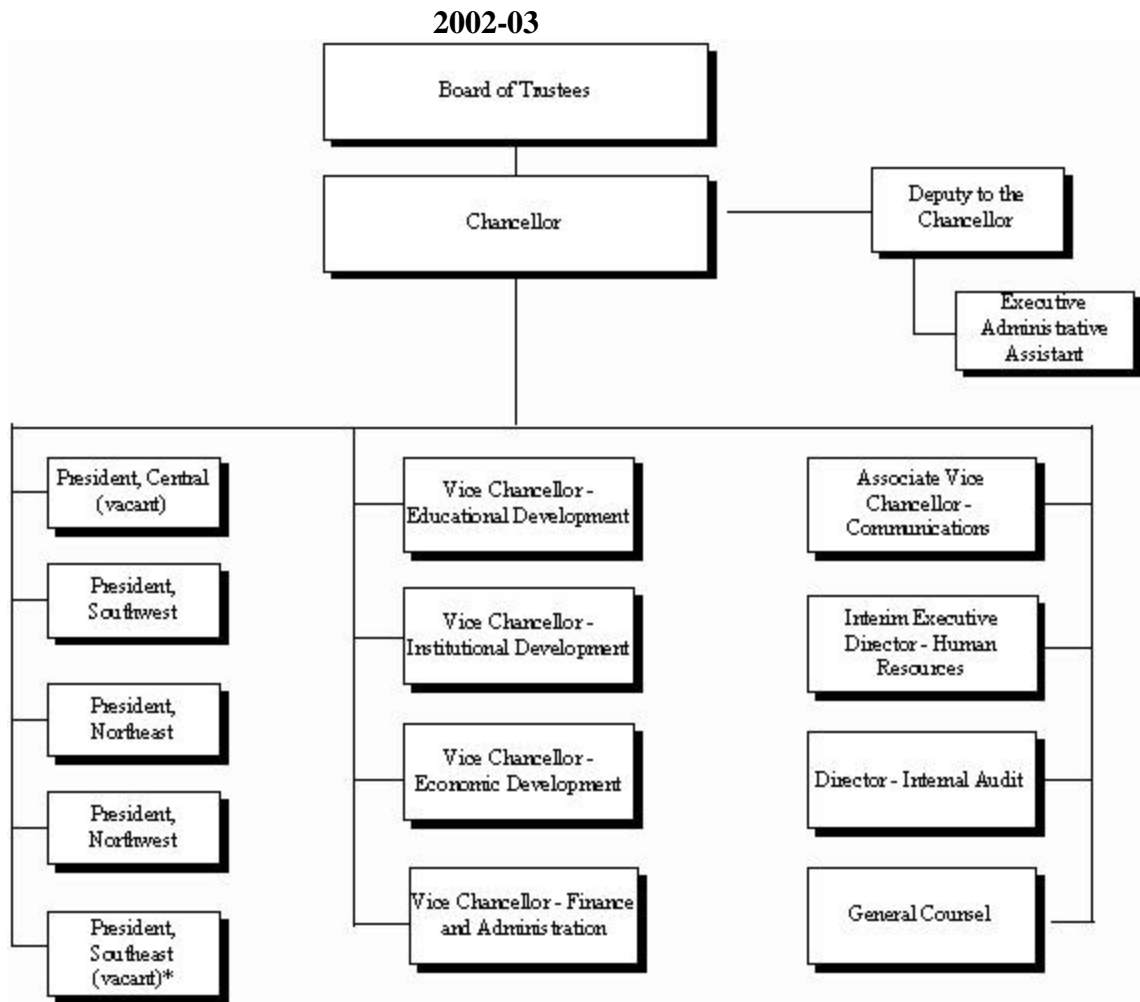
Source: HCCS organizational charts and interviews with staff.
*Position resigned effective March 2003.

Exhibit 1-18 shows two vacant positions: president of Central College and president of Southeast College. The president of Central College resigned effective December 2002. At this time, the chancellor assigned the vice chancellor for Institutional Development as interim president of Central College. The chancellor also reassigned the deputy to the chancellor to fill the position of vice chancellor for Institutional Development on an interim basis. In December 2002, the executive director of Human Resources resigned; HCCS has an interim executive director fulfilling the duties of that position. The president of Southeast College resigned effective March 1, 2003 and the college operations officer is serving as interim president. The associate vice chancellor for Communications position and the general counsel position, which had been vacant, were filled on December 13, 2002 and January 23, 2003, respectively. The board is in the process of filling the two president vacancies.

A president, an academic dean and a workforce dean guide instructional delivery at each college. Southeast College has an additional dean of Health Science. The vice chancellor for Educational Development and the associate vice chancellor for Workforce Development meet regularly with the academic and workforce deans but have no formal input into their evaluations. The college presidents have sole responsibility for the deans' evaluations. The chancellor meets with the CET every Monday morning to distribute information and achieve consensus on the decision-making process of the institution.

The academic deans at each college have several department chairs who report to them. The chairs assume responsibility for one or more disciplines at that college. The workforce deans also have department chairs who report to them. HCCS organizes its workforce area departments in units called hubs, which consists of one or more disciplines that work across the system.

Each college campus has a college operations officer (COO) who reports to the president. The COO assists the deans and department chairs with purchasing, physical plant, budget development, budget transfers and financial matters.

Each college president's executive staff generally includes the positions of dean of Academic Development, dean of Workforce Development, dean of Student Development, COO and community/resource development coordinator (CRDC). The dean of Academic Development at each campus provides primary administrative leadership and supervision for academic development. The dean of Workforce Development provides primary administrative leadership and supervision of the technical education, work force development and continuing education programs at each campus. The dean of Student Development develops and supervises student services and community development programs for each college. The COO develops and coordinates business affairs, human resources and facilities for each campus. The COO's duties include assisting the president in supervising and monitoring expenditures, budget development, accounting, accounts payable and receiving, property management and other related operational functions. The COO also ensures compliance with the system's fiscal policies and procedures. The CRDC oversees local campus marketing, grant development, public relations and media relations.

Chancellor Charles Green established the office of the president in 1992. At the time, the system divided itself into six regional colleges. Chancellor Green believed that HCCS would provide better services for Houston if the six colleges competed with each other for resources. In 1995, the board reversed Green's concept by adopting a single-system concept. Despite the

new operational model, some of the philosophies of the multisystem model continue at HCCS. This often leads to competition among the five college presidents for the system's limited resources. Chancellor Leslie's leadership focuses on centralized administration and encourages a spirit of collegiality, cooperation and collaboration among the college presidents.

The HCCS presidents' council developed a Colleges to Standard initiative to address staffing inconsistencies in the system's colleges. The presidents' council began the initiative because a perception existed that some colleges had more funding, staffing, equipment and facilities resources than others. The Colleges to Standard initiative attempts to ensure that all five HCCS colleges have a common base of staffing, facilities and equipment to serve their respective communities and to ensure equity and efficiency within the colleges.

The HCCS presidents' council began developing the standards contained in the initiative in the summer of 2001 and formally presented the Colleges to Standard to the CET in July 2002. The CET has formally approved five standards for staffing at the colleges and is in the process of reviewing and approving several others. The CET, which includes college presidents, meets weekly to review the standards.

FINDING

The HCCS council of presidents provides an effective process for facilitating communication, dialogue and collaboration among institutions existing within a system that is singularly accredited but which has multiple colleges, campuses and centers.

At HCCS, the college presidents are responsible for implementing approved HCCS policies and managing their institutions in the most effective and efficient manner possible. In 2001, the five college presidents began meeting weekly to discuss issues and subsequently organized a presidents' council that meets weekly. The presidents share their concerns and discuss policies, issues and initiatives that affect their respective colleges. Often they find consensus, which they present at the CET weekly meetings.

The presidents' council has been successful in enhancing communication and collaboration among the college presidents and their campuses. For example, during the fall of 2001, the presidents agreed to host meetings on each campus to explore common issues and concerns among campus administrative teams such as workforce deans, student services and security personnel. In essence, they asked the question, "what can your department do to support the model of the 'learning college,' and what support do you need to do your job better?" The Learning College is a

board-adopted initiative stating that the primary function of a college is student learning and all activities and decisions should be evaluated in terms of their contribution to student achievement. In spring of 2002, the presidents met in a one-day retreat to review the reports and to develop consensus on recommendations that they presented to the CET.

The HCCS Colleges to Standard project is another example of collaboration among the college presidents as a result of the organization of the presidents' council. The presidents agreed that a set of standards was necessary to ensure equity among the five colleges and, as a result, the Colleges to Standard program has been formally adopted as part of the system's strategic plan.

The chancellor told the review team that, as a result of the presidents' council, there is a "much improved environment, culturally." Using a business model analogy, he described a culture in which historically HCCS presidents existed similar to that among five corporate CEOs competing against each other for a share of the market. As a result of the presidents' council, a different model of communication and interaction exists, more like that among five corporate VPs in the same company working collaboratively to help each other achieve the goals of the corporation. This represents an exemplary model for other multi-campus systems whether they be centralized or decentralized.

COMMENDATION

The HCCS council of presidents provides an effective process for facilitating communication, dialogue and collaboration for a singularly accredited system that has multiple colleges, campuses and centers.

FINDING

HCCS' shift toward greater centralization and coordination of services has surpassed the institution's need to maintain five separate college presidents' offices. Under the competition-based concept of resource allocation present between 1992 and 1995, having a strong leadership and independent team in place at each college was beneficial and necessary to each college. Chancellor Leslie's recent efforts to centralize and coordinate services and the presidents' initiative to standardize college operations and funding indicate a new direction for HCCS. The institution has outgrown the need to maintain independent executive teams at each of its five colleges.

Historically, this system of college presidents established in 1992 encouraged each president to compete for resources. The theory was that

competition would only serve to strengthen the system. However, this concept of competition only served to divide the system. College presidents told the review team that under the old, competitive model presidents competed and politicked to get their budget requests approved.

The chancellor initiated efforts to consolidate and centralize some of the functions that each college handles. The goal of these efforts is to improve services across the system, to provide equitable services across the system, to eliminate or reduce duplicative services and to gain efficiencies across the institution. In addition, the Colleges to Standard initiative demonstrates further systemwide efforts to provide an equitable process for allocating resources.

Though it is still important to maintain a strong president at each college to serve as the instructional leader and connection to the community, HCCS no longer has the need to maintain five separate and largely independent college structures. Maintaining the staff to support each college president's office proves costly to HCCS. **Exhibit 1-19** shows the total budget for each college with the budgets for the office of the president presented as a percent of the total budget. Items included in the budget for the president's office include the president's salary, support staff salaries, travel and supplies.

Exhibit 1-19
HCCS College Budgets
2002-03

College	President's Office Budget	Total College Budget	President's Office Budget as Percent of Total
Central	$263,358	$28,935,340	0.9 %
Northwest	$335,395	$16,753,344	2.0 %
Northeast	$478,000	$20,689,476	2.3 %
Southwest	$290,712	$25,659,929	1.1 %
Southeast	$458,173	$19,388,232	2.4 %

Source: HCCS budget, 2002-03.

Recommendation 4:

Reduce the number of college presidents from five to three and create a system of three geographic areas for HCCS campuses.

HCCS should align its schools by three geographic areas based on boundary lines that meet system and community needs. This alignment will reinforce the system concept and also reduce administrative expenditures. In addition to reducing staff by two president positions, HCCS would also be able to reduce the executive staff at two colleges.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The chancellor develops a transition plan to reorganize HCCS from a system of five colleges to a system of three areas with a president and executive staff assigned to each area.	December 2003
2.	The chancellor presents the transition plan to the board.	January 2004
3.	The board reviews and approves the plan.	February 2004
4.	The chancellor implements the plan.	September 2004

FISCAL IMPACT

By following this recommendation, HCCS can eliminate 12 executive level positions. The system can eliminate two presidents (average salary of $124,442), two Academic dean positions (average salary of $84,220), two Workforce deans (average salary of $77,590), two Student Services deans (average salary of $78,966), two COOs (average salary of $85,916) and two CRDCs (average salary of $78,164). HCCS calculates benefits at 6 percent of the position's salary. The total fiscal impact estimate for this recommendation is $1,122,112 ([$124,442 + $84,220 + 77,590 + 78,966 + 85,916 + 78,164] x 2 = $1,058,596] x 1.06 benefit rate).

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08
Reduce the number of college presidents from five to three and create a system of three geographic areas for HCCS campuses.	$0	$1,122,112	$1,122,112	$1,122,112	$1,122,112

FINDING

The role of the presidents in HCCS conflicts with the single-institution concept and do not clearly define the tasks for which the presidents should

be accountable. The presidents' current job descriptions reflect the positions' responsibilities when the system was a group of regional colleges. For example, the job description states that each president "develops operational policies and procedures." The staff at each college invests time in developing policies and procedures for their college when a single set of policies and procedures for the entire system would produce better results without inconsistencies. These inconsistencies can complicate operations as well as cause confusion for staff and students who travel among colleges.

The job description also states that each president "plans and initiates organizational, operational and academic functions." If each college conducts this planning, it creates functions inconsistent with the goals of the system and the other colleges within the system. Under the current single-institution model of HCCS, the system must coordinate functions among campuses to best use the system's resources and best serve the students and the community.

Chapter 1
GOVERNANCE AND LEADERSHIP

B. Management and Organization (Part 2)

Exhibit 1-20 shows that the responsibilities for which the president should be held accountable are also unclear from the job description and the organization chart. The job description lists responsibilities that presidents should perform "in conjunction with vice chancellors." For example, the job description states that each president, "Provides leadership for the development of academic, vocational/technical, continuing education, and community services programs in conjunction with vice chancellors." While working together on these tasks is essential, it is unclear from the job description who is ultimately responsible for developing the programs. Accountability is further confused by the organizational chart and job descriptions that imply a relationship between the college deans and the vice chancellor for Educational Development. It is impossible for presidents to be ultimately responsible for their colleges when the top college administrators have an independent relationship with central administrators.

Exhibit 1-20
Presidents' Job Description
2002-03

Current Responsibilities of President
Provides leadership for the development of academic, vocational/technical, continuing education and community services programs in conjunction with vice chancellors.
Negotiates with business and civic groups to promote educational, research and public service objectives in accordance with policies formulated by the chancellor and board.
Plans and initiates organizational, operational and academic functions of the college, or the system and recommends actions to be taken.
Develops operational policies and procedures.
Directs, supervises, and monitors all the work of all academic, vocational/technical, continuing education and community services programs.
Keeps the chancellor advised on all matters relative to the college, its progress and its problems.
Counsels and assists the chancellor in the development of policies for the operation of the college system.

Maintains a positive program of public relations for the college; appears before agencies, groups and individuals as the public representative of his/her college.
Directs, supervises and monitors the expenditure of the college funds.
Maintains an on-going plan for college program expansion and development.
Makes recommendations for change or development of the academic, vocational/technical, telecommunication, non-traditional career, continuing education, and community services program.
Maintains a college-wide evaluation of staff.

Source: HCCS, president job description.

Recommendation 5:

Revise the college presidents' job descriptions to support HCCS' single-institution concept and to clearly assign accountability.

The college presidents should be ultimately responsible for the performance of their colleges and for ensuring that their successes relate to the goals and structure of the system. The presidents should also be ultimately responsible for the performance and evaluations of college staff. The president should contribute to systemwide decisions on programs and policies but the system should finalize these

decisions centrally. While HCCS can realize efficiencies and systemwide effectiveness by centralizing much of the decision-making, it is up to the president of each college to determine what is needed at their community. The president should maintain the relationship with the community to

identify needs and determine how to meet these needs. **Exhibit 1-21** compares the responsibilities currently in the job description for the president and the review team's recommended changes.

Exhibit 1-21
President's Job Description
Current and Recommended Changes

Current Responsibilities of President	Recommended Changes
Provides leadership for the development of academic, vocational/technical, continuing education and community services programs in conjunction with vice chancellors.	Provides input into the development of academic, vocational/technical, continuing education and community services programs to the vice chancellors.

Negotiates with business and civic groups to promote educational, research and public service objectives in accordance with policies formulated by the chancellor and board.	No change.
Plans and initiates organizational, operational, and academic functions of the college or the system and recommends actions to be taken.	Oversees organizational, operational and academic functions of the college.When necessary, recommends changes to be made to the vice chancellors.
Develops operational policies and procedures.	Provides input into the central development of operational policies and procedures.
Directs, supervises and monitors all the work of all academic, vocational/technical, continuing education and community services programs.	No change.
Keeps the chancellor advised on all matters relative to the college, its progress and its problems.	No change.
Counsels and assists the chancellor in the development of policies for the operation of the college system.	No change.
Maintains a positive program of public relations for the college; appears before agencies, groups, and individuals as the public representative of his/her college.	No change.
Directs, supervises and monitors the expenditure of the college funds.	No change.
Maintains an on-going plan for college program expansion and development.	Maintains an on-going plan for college program expansion and development in conjunction with system goals with input from the vice chancellors.
Makes recommendations for change or development of the academic, vocational/technical, telecommunication, non-traditional career, continuing education and community services program.	No change.

Maintains a college-wide evaluation of staff.	No change.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The presidents meet with the vice chancellor for Educational Development and the executive director of Human Resources to discuss and finalize changes to the job description.	July 2003
2.	The executive director of Human Resources rewrites the job description to reflect these finalized changes.	August 2003

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

College presidents and instructional administrators do not agree on HCCS' organizational structure, lines of authority and areas of responsibility and accountability. Several members of the CET describe a matrix organizational structure, with administrators from the system's office and administrators from the college sharing authority and responsibility for decisions and actions. Other members of the team describe a hierarchical structure with the chancellor communicating expectations to the vice chancellors, who in turn communicate with college administrators and presidents. Still others describe a hierarchical structure with the colleges having responsibility for instructional decisions and the system's office serving the colleges in a supportive and monitoring role without direct responsibility for the delivery of services.

While college presidents, academic and workforce deans are responsible for instructional delivery at their respective colleges, the vice-chancellor for Educational Development and the associate vice-chancellor for Workforce Development regularly meet with the academic and workforce deans. The college presidents report directly to the chancellor. The organizational structure and lines of authority are difficult for college instructional administrators to follow, especially when goals set at the system office conflict with goals set at the colleges.

Additionally, there is no evidence that HCCS holds administrators accountable. In the most effective systems, administrators understand the organizational structure and know that they will be held accountable for

the decisions they make and the actions they take within their areas of authority and responsibility.

Recommendation 6:

Require all college presidents to report directly to the vice chancellor for Educational Development to improve communication, coordination and accountability.

Changing the reporting structure will not only help to improve communications, coordination of services and accountability, but it will help to emphasize the importance of the single institution concept at HCCS.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The chancellor re-organizes the reporting structure of the colleges by having the presidents report directly to the vice chancellor for Educational Development.	August 2003
2.	The presidents begin reporting directly to the vice chancellor for Educational Development.	September 2003 and Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

HCCS lacks a staffing formula for clerical positions, resulting in an excessive number of clerical positions. In 2002-03, HCCS has 351 full-time and 652 part-time clerical positions, representing 18.8 percent of all employees.

There is a significant disparity of clerical staff among the colleges. **Exhibit 1-22** shows that the ratio of total employees to clerical staff varies significantly among colleges. The ratio of full-time employees to full-time clerical staff ranges from 4.4 at Central, reflecting the lowest productivity, to 7.3 at Northwest, showing the highest level of productivity. The disparity among part-time clerical staff is more profound; however, the definition of part-time can vary by position. The system office showed the lowest productivity at 1.6, while Northeast showed the highest level at 15.7.

Exhibit 1-22
HCCS Clerical Staffing
2002-03

College/Location	Full-Time Clerical Staff	Total Full-Time Employees	Ratio of Employees to Clerical Staff	Part-Time Clerical Staff	Total Part-Time Employees	Ratio of Part-Time Employees to Clerical Staff
Central	71	312	4.4	112	741	6.6
Northeast	59	288	4.9	47	736	15.7
Northwest	24	176	7.3	59	459	7.8
Southeast	60	284	4.7	43	487	11.3
Southwest	46	291	6.3	105	678	6.5
System	91	436	4.8	286	460	1.6
Total	**351**	**1,787**	**5.1**	**652**	**3,561**	**5.5**

Source: HCCS, Human Resources Department budget, fiscal 2002-03.

HCCS has more full-time clerical staff than selected peer colleges.
Exhibit 1-23 compares the ratio of enrollment to full-time clerical staff for
Fall 2001, the most recent data available by the THECB. HCCS shows the
lowest ratio of 96 students per clerical staff. This suggests HCCS has
lower productivity relative to the size of the institution. Alamo
Community College District has the highest ratio of 186 students per full-
time clerical staff. THECB does not collect data on part-time clerical staff.

Exhibit 1-23
HCCS Clerical Staffing Ratios Compared to Peers
Fall 2001

Community College	Enrollment	Full-Time Secretary/ Clerical Staff	Ratio of Enrollment to Clerical Staff
Alamo	42,044	226	186:1
Austin	27,577	278	99:1
Dallas County	50,191	307	163:1
HCCS	**34,714**	**363**	**96:1**

North Harris Montgomery	29,386	248	118:1

HCCS, through its Colleges to Standard initiative, is developing formulas for staffing departmental secretaries at the colleges. Based on Colleges to Standard components that the CET approved, HCCS will allocate departmental secretaries to each college with the following formulas:

> *Number of academic sections taught per college for fall /
> 90 = number of secretaries for academic departments*

> *Number of workforce sections taught per college for fall /
> 60 = number of secretaries for workforce departments*

HCCS has not yet collected the data necessary to determine the effect the above formulas will have on college secretarial staff levels. In addition, HCCS has not proposed formulas for other clerical staff at the colleges or clerical staff at the system office.

Recommendation 7:

Reduce the number of clerical staff and implement staffing formulas for all clerical positions.

Development of formulas for all staffing levels will help ensure an efficient allocation of support resources for all purposes and should result in significant reductions in overall clerical staff levels. In addition to reducing clerical staff positions, the system should also convert part-time positions to full-time positions.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The chancellor and executive director of Human Resources establish targets for clerical staff reduction and the mix of full-time and part-time clerical staff.	July 2003
2.	The executive director of Human Resources develops formulas for all clerical staffing positions and ensures that they will meet or exceed established productivity targets.	August 2003
3.	The vice chancellor for Finance and Administration uses the clerical staff formulas to allocate budget resources for clerical positions.	August 2003
4.	Human Resources staff work with department heads to redefine clerical job descriptions and assign tasks.	September 2003

FISCAL IMPACT

The review team estimates that by implementing staffing formulas and establishing productivity targets, HCCS can reduce clerical staff by 10 percent in 2003-04 and an additional 10 percent in 2004-05. This translates to a reduction in 35 full-time and 70 part-time positions in 2003-04 and additional reductions of the same amount in 2004-05. There will be a total of 70 reductions in full-time clerical staff (35 full-time in 2003-04 + 35 additional full-time positions in 2004-05=70 total full-time positions) and 140 in part-time staff (70 part-time 2003-04 + 70 additional part-time positions in 2004-05=140 total part-time positions). The review team believes that converting the remaining part-time clerical staff to full-time positions will reduce the time HCCS spends managing these employees. However, no dollar savings have been estimated to be conservative.

The average full-time secretary or clerk earns $30,042. Part-time positions are assumed to be half time, or 70 part-time clerical staff equals 35 full-time-equivalent clerical positions that will be eliminated in the part-time category. For the first year, savings are calculated by adding the full-time positions and part-time FTE for a total of 70 positions, times the average salary of $30,042 plus benefits of 6 percent. The savings for 2003-04 will be $2,229,116 (70 FTE's x $30,042 x 1.06). Since the total number of positions eliminated will double in 2004-05, the savings for 2004-05 and each year thereafter will be double this amount or $4,458,232 in each year thereafter.

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08
Reduce the number of clerical staff and implement staffing formulas for all clerical positions.	$2,229,116	$4,458,232	$4,458,232	$4,458,232	$4,458,232

FINDING

HCCS' has not fully developed its Colleges to Standard initiative. The initiative does not address all resource needs at the college level nor does it address staffing standards at the system level. Most of the standards HCCS has developed to date deal with staffing levels and organizational structure. The system is forming standards for equipment and facilities. HCCS has not addressed funding levels, or system-level standards or performance measures and accountability mechanisms in the initiative.

Exhibit 1-24 presents a list of standards that the CET had approved by July 2002.

Exhibit 1-24
Colleges to Standard
Components Approved by the Chancellor's Executive Team
August 2002

Sixty percent of classes are taught by full-time instructors across the system according to the HCCS Strategic Plan. Colleges or departments with lowest ratios get priority in hiring of new faculty. Formulas for new hires will be based on Full/Part-time Ratio established by Institutional Research Office.
A full-time academic faculty member will be hired once a discipline grows to 10 sections per semester with an average class size of 18.
All workforce degree programs should have at least one full-time faculty member, according to the Texas Higher Education Coordinating Board and SACS guidelines.
All stand-alone academic departments must have a minimum of 60 sections taught per semester (fall and spring) and a chair responsible for the activities of that department.
Departmental secretaries will be allotted per college based on the following formula: Number of academic sections taught per college for fall / 90 = number of secretaries for academic departments Number of workforce sections per college for fall / 60 = number of secretaries for workforce departments.

Source: HCCS, chancellor's executive team projects list, Individual Project Progress Report, August 2002.

The Colleges to Standard planning document includes a list of standards that HCCS will develop:

- reorganization of the Financial Aid Offices at colleges and formulas for Financial Aid workers;
- formulas for librarians and library operation hours;
- reorganization of Student Services to Student Success Model - personnel implications and formulas for staff;
- formulas for Information Technology technicians at each college;
- formulas and staffing issues for campus security officers;
- formulas and staffing issues for Maintenance staff at colleges;
- facilities issues - developing prototypes with support standardization and Learning College concepts;

- standardization of funding instructional departments;
- review of overlapping functions between colleges and system to reduce duplication;
- formulas for assistant deans of Academics and Workforce Development;
- formulas for coordinator of dual credit and off-campus credit instruction;
- formulas for grant personnel;
- standards for equipment, computers, printers, etc. for administrators, staff, department chairs and faculty;
- review of college technology organization chart;
- review of reporting structure for business functions between colleges and system;
- define a role for project manager position for contract training/continuing education presidents; and
- formulas for departmental secretary for Intensive English Programs.

According to the Colleges to Standard planning document, the CET planned to review and approve all standards by November 30, 2002. The review team compiled the list above in February 2003; it indicates that HCCS is still working on significant issues.

Although colleges have already informally applied some of the standards, the plan does not contain provisions to hold presidents accountable for implementing the standards. The Colleges to Standard initiative also contains no measurement mechanisms to ensure that application of the standards is effective or to identify necessary adjustments in the standards.

Recommendation 8:

Expand the Colleges to Standard initiative and develop accountability measures tied to the standards.

The chancellor, the CET and the president's council should develop staffing standards for all positions that support college functions, including centralized positions at the system level. In addition, HCCS should tie performance measures and accountability mechanisms to the standards.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The chancellor meets with the CET and the presidents' council to develop standards.	July 2003
2.	The CET and the presidents' council develop allocation resource standards for colleges and for college-support functions at the	September 2003

	system level.	
3.	The CET and the presidents' council develop a set of performance measures for colleges and for college-support functions at the system level.	December 2003

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

Executive-level staff, particularly college presidents, spend an inordinate amount of time in meetings. Several college presidents spend several hours each week just driving to and from meetings. One college president said that he spends approximately 60 to 75 percent of his time in weekly meetings. He reports that half of these meetings are system-level meetings and half are specific to his college operations. The president of the Northwest College in Katy concurred, adding that because of his location he spends approximately six hours each week driving to and from meetings in downtown Houston.

Regular meetings include the CET team meetings every Monday from 9:00 a.m. to 12:00 p.m. and a college president's meeting every Wednesday from 9:00 a.m. to 12:00 p.m. In addition to systemwide meetings, each college president has several meeting commitments at his or her college. College presidents must also take an active part in community outreach meetings.

HCCS maintains teleconferencing equipment but does not use it to facilitate staff meetings.

Many organizations use teleconferencing technologies to facilitate staff meetings and reduce travel time, travel costs and inconvenience to those attending meetings. Teleconferencing uses audio and video transmissions to allow individuals in different locations to meet face-to-face. Teleconferencing technologies have improved over the past few years and now provide quality audio transmission.

Recommendation 9:

Use teleconferencing technologies to facilitate the logistics of system meetings and to increase convenience to presidents in the outlying areas.

Teleconferencing would be of particular benefit to HCCS since Houston covers such a large geographical area and traffic flow problems compound travel difficulties.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The chancellor holds at least one CET meeting per month using the system's teleconferencing technology.	July 2003
2.	The chancellor and the CET provide feedback to determine whether the teleconferencing meetings are effective.	September 2003
3.	The chancellor and the CET decide whether to hold more meetings using teleconferencing technologies.	October 2003

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 1
GOVERNANCE AND LEADERSHIP

C. Planning

State law and accrediting organizations such as SACS require institutions of higher learning to ensure that college officials use careful planning and evaluation techniques at all levels. A college with a strategic plan that has received broad-based input and has well-defined goals will be better able to attain state and SACS standards for academic programs. Evaluating a college's academic programs, workforce development programs and non-instructional functions allows the board and administrators to gauge the success of each program and function. Institutions can use the evaluations to determine if they obtained key objectives and results and if the benefits merit the costs. Institutions can use the results of the evaluations to make program and function changes.

An effective strategic planning process contains numerous components:

- board-approved goals;
- measurable departmental objectives;
- Implementation strategies and timelines;
- assignment of responsibilities and accountability;
- links to the annual budget and budgeting process;
- annual monitoring and assessment of results; and
- documentation of the use of research and data from the planning process to make decisions that provide continuous improvement of the effectiveness of the educational enterprise.

HCCS assigns the planning function to the vice chancellor for Institutional Development. The division includes the offices of Information Technology, Institutional Research, Title V, the Self-Study for the SACS Reaffirmation Committee and the "Student Success" model of Student Services. The administrative proximity of these functions enhances the effectiveness of the planning process and facilitates communication throughout the system.

HCCS has a comprehensive, board-approved planning process. The 1997-2000 Strategic Plan, *A Vision for the Future,* focused on infrastructure. During that period, HCCS built seven new buildings and ended an era of occupying high school facilities. The 2000-03 Strategic Plan is called *Building a Learning College.* HCCS has adopted a Learning College model which means that all system activities should be focused on and all decisions evaluated in terms of the improvement of student learning. To support this model, the board revised its vision and the mission to reflect an increased emphasis on student learning. HCCS developed the strategic plan objectives with improved student learning as the primary outcome. HCCS faculty, staff, administration and trustees helped develop HCCS' current mission statement. The board adopted the new mission statement on April 26, 2000.

HCCS organizes its planning process on a three-year, recurring planning cycle. It is a comprehensive plan that has received broad-based input and has well defined goals, strategies, timelines and annual assessments of outcomes. The plan articulates the mission, vision and values of HCCS, as well as overall expected results for the three-year strategic planning period. The 2000-03 Strategic Plan includes five goals and 20 objectives. HCCS developed numerous other plans to complement the comprehensive document, including a 10-year Facilities Master Plan, with annual updates. **Exhibit 1-25** provides an overview of HCCS' Strategic Plan including its mission, vision, values and goals.

Exhibit 1-25
HCCS Strategic Plan - 2000-03
Building a Learning College

Mission
The Houston Community College System is an open-admission, public institution of higher education offering associate degrees, certificates, academic preparation, workforce training, and lifelong learning opportunities that prepare individuals in our diverse communities for life and work in an increasingly international and technological society.   Houston Community College System will provide: • Affordable and accessible education   • University transfer and general education   • Workforce development   • Customized training   • Continuing education   • Adult literacy and developmental programs   • Personal enrichment opportunities   • Comprehensive student support services   • An environment conducive to learning
Vision
The Houston Community College System will be: • An institution that is nationally recognized for its educational excellence and its commitment to learning.   • The educational institution of choice for those who seek academic advancement leading to professional careers, for those who seek skilled training for the workforce, those who seek to upgrade their skills to enhance preparedness for economic opportunity, and those who seek lifelong learning opportunities to enhance their quality of life.   • An integral part of the social, economic and educational life of the community through quality partnerships and responsiveness to community needs.   The Houston Community College System affirms these values:

- Commitment to learning
- Dedication to excellence
- Academic integrity
- Respect for individual dignity and worth
- Appreciation for diversity
- Global awareness and involvement
- Civic responsibility
- Collaboration and partnerships
- Creative thinking

Goal 1
Focus on student learning in the classroom.

Goal 2
Ensure student access and success through comprehensive student services.

Goal 3
Develop and maintain outstanding educational programs.

Goal 4
Ensure a quality learning environment.

Goal 5
Connect the learning college to the local and global community.

Source: HCCS, Strategic Plan - 2000-03 "Building a Learning College."

FINDING

HCCS has developed and implemented an effective process to involve the entire system in a Web-based portal. The portal facilitates institutional planning and evaluation and enables the institution to demonstrate how well it is accomplishing its purpose. During the self-study portions of the SACS accreditation process, a technology company offered to sell HCCS a new data management system. HCCS' administration made the decision to install the pilot product and implement a paperless, electronic process of institutional effectiveness and planning in fulfillment of the SACS criteria. HCCS now uses this Web-based technology as a tool for institutional planning. HCCS calls its planning model the Institutional Effectiveness (IE) Portal.

The home page for the IE Portal features three major tabs of information for internal and external users and viewers: IE Resources, Institutional Planning and Evaluation and Forms. The IE Resources links available on the portal include THECB data; HCCS documents and reports; program reviews including Academic Disciplines, Workforce Programs, Library Program Review, Academic Program Review Process and Instrument and Educational Program Review Data Resources; and Internal/External Review Schedules including Health Science Programs,

Accreditation Schedule, Technical Programs, Program-Specific Accreditations and Program Review. Notices for the IE

Committee on meeting schedules and IE and Planning Committee minutes are also available on this Web site. Although the public can access some content areas of the portal, other areas are password protected. **Exhibit 1-26** below shows a picture of the IE Portal home page.

Exhibit 1-26
HCCS' Institutional Effectiveness Portal
2002-03

Source: HCCS Web site, http://atlanta.hccs.cc.tx.us/.
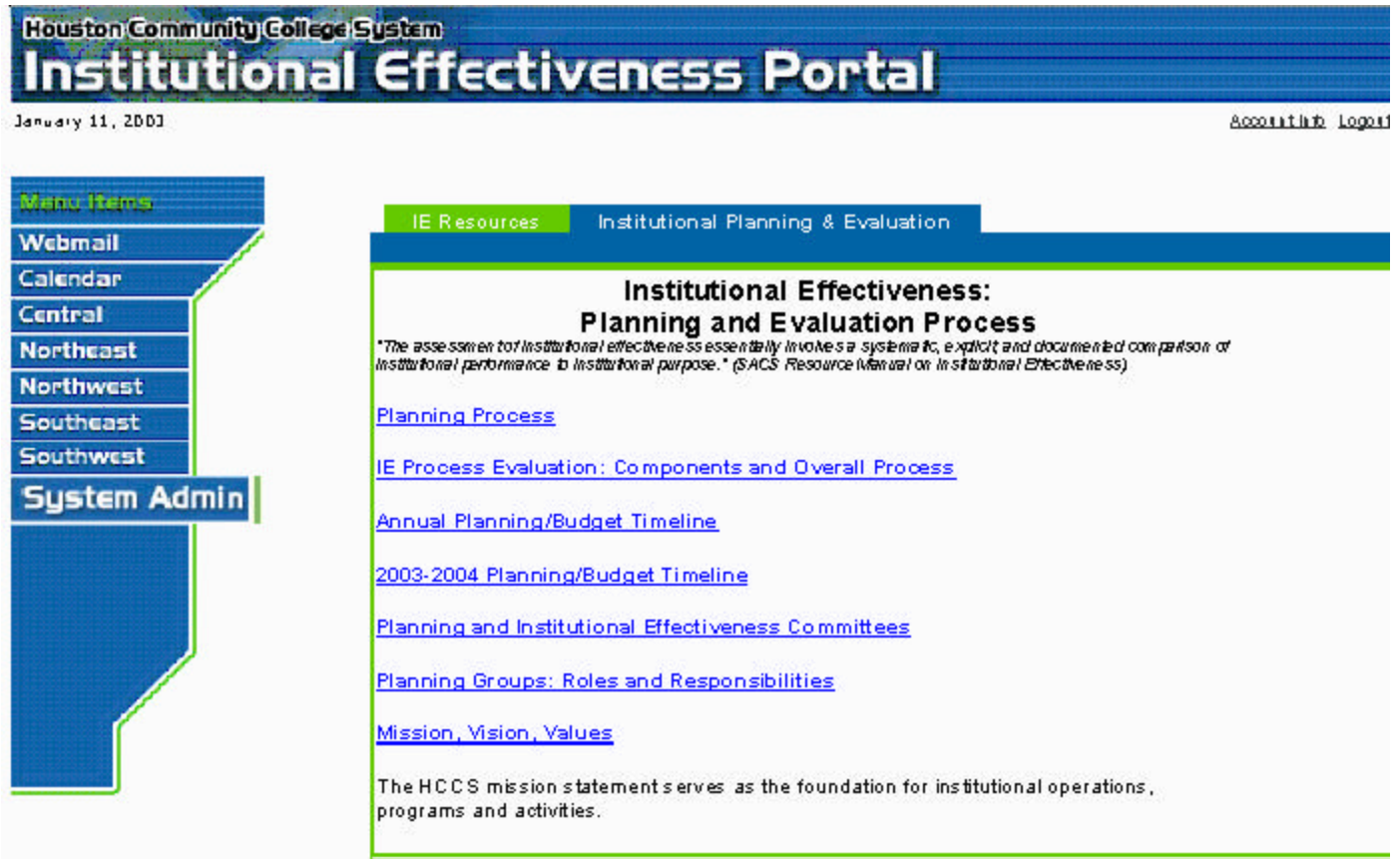
The HCCS portal is an effective model of how a community college or any institution of higher education can use technology to facilitate the planning and evaluation process.

The true value of the HCCS portal is its accessibility. Information is accessible to everyone: to the internal constituencies who need to know and to the external public who want to know. The Web pages are user-friendly, attractive, organized and efficient. HCCS expects each department head to update the plan annually with a summary of departmental results, the achievement of the goals, objectives and timelines for the year. The systemwide institutional effectiveness committee meets monthly to monitor progress.

COMMENDATION

The HCCS Institutional Effectiveness portal provides an effective process that involves the entire system in Web-based technology that facilitates institutional planning and evaluation and enables the system to demonstrate how effectively it is accomplishing its academic purpose.

FINDING

The HCCS planning process does not fully link the strategic planning process to the annual budgeting process. The process lacks formal measures to gauge the effectiveness of non-instructional programs. The systems administrator informed the review team that HCCS initiated the process to tie departmental budgets to the strategic plan by enhancing the IE Portal software. But HCCS has not taken actions to implement performance measures and create a mechanism to tie them to the budgeting process.

HCCS has made significant progress in using technology in its planning process. The technology that HCCS uses is especially effective in developing and assessing academic programs but is less effective in operational decision-making. HCCS does not include many decisions about operational matters in the strategic plan or the annual planning and assessment process. This limits the ability of HCCS to follow through on some initiatives and keeps it from performing strategic planning on others.

An example of the lack of follow through is the Colleges to Standard initiative. HCCS scheduled this project for implementation in 2002-03. The CET still needs to approve several components before HCCS can complete implementation. HCCS does not hold anyone accountable for failing to follow up and complete some initiatives. This contributes to inefficiency, waste of financial resources and low morale among some faculty and staff.

To ensure that goals and outcomes are effective, many organizations implement performance measures. Organizational performance measurement is the process of regular and continuous data collection on important aspects of an organization's services, programs or processes. The use of performance measures enables an organization to evaluate its programs and services.

Performance measurement requires the development of performance indicators - measures of input, output, efficiency and effectiveness - and the collection of appropriate data to measure the impact of service delivery. After an organization collects data, the organization compares it against a baseline measurement. Organizations can choose prior performance, an established standard or the performance of other organizations doing the same or similar work as their baseline. By comparing their data against the baseline, an organization can identify service or program areas that need improvement. The result of a well-designed and executed performance measurement system is improved services and increased customer satisfaction.

Performance measurement provides a management tool for improvement and an instrument for management planning and decision making. To be successful, performance measurement requires committed leadership and organizational support. In order to be of maximum value, it

must become part of the regular responsibilities of an organization. Once an organization incorporates performance measurement into the structure of an organization, it can help drive continuous improvement of programs and processes.

Effective organizations measure two key performance characteristics: efficiency and effectiveness. Efficiency measures offer insight into how well an organization or program is managing the resources available to do its job. These resources, expressed either as dollars or people, are the inputs into the program or services. Effectiveness measures demonstrate how well a program accomplished its goals.

The City of Irving, Texas has been successful in implementing a system of performance measurements that it ties to its budget. **Exhibit 1-27** shows selected examples of the types of departmental objectives and performance measures that Irving uses to evaluate the achievement of those objectives. The departments shown in this exhibit are the Office of the City Manager and the Office of the City Secretary. These are only two of the city's 112 departments.

<div align="center">

Exhibit 1-27
City of Irving, Texas
Performance Measures and Indicators
2002-03

</div>

City Manager

Mission - The mission of the Office of the City Manager is to provide quality services in an efficient and cost effective manner to improve living and working through administrative policies and the management of municipal operations.

2002-03 Departmental Objectives

- Present the annual budget for City Council review in accordance with Council direction and established time constraints.
- Establish and follow financial policy and strategy necessary to maintain the Aaa and AAA General Obligation Bond rating.
- Manage and evaluate capital improvements projects and report the result to the City Council twice annually.
- Maintain ratio of full-time equivalent (FTE) employees to citizens at less than .01.
- Manage and improve the implementation of the City Council agenda process.

Performance Indicators

	2000-01 Actual	**2001-02 Estimated**	**2002-03 Projected**
Tax Rate	.4880	.4880	.4980
General Obligation Bond Rating:			
Moody's	Aaa	Aaa	Aaa
Standard and Poor's	AAA	AAA	AAA

Fulltime Employees per Citizens	.0095	.0095	.0098
Inquiry Contact within 24 hours	95%	95%	95%

Activity Measures

	2000-01 Actual	2001-02 Estimated	2002-03 Projected
Total Adopted Budget	$384,531,816	$371,797,145	$368,546,725
Total Bond Sale	$30,000,000	$15,500,000	$10,000,000
Council and Citizen Inquiries	500	550	550
City Council, Work Session and Committee Meetings	100	80	80
Work Session and Agenda Items per Agenda Cycle	52	55	55

City Secretary

Mission - To provide the professional link between the citizens, the governing body and other departments of the City - ever mindful that this office will remain neutral and impartial, rendering equal service to all. This office facilitates the efforts of the Mayor and Council to fulfill the responsibilities of their office; the ability of the employees and the public to access public information; citizen participation in the electoral process and serving on Council appointed boards, commissions and committees; and the safe and secure storage, prompt retrieval and efficient disposition of the City's records.

2002-03 Departmental Objectives

- Conduct citywide training on open Records System in conjunction with the City Attorney's Office.
- Update records management software.
- Continue to reduce offsite storage for paper base records to provide quicker retrieval for our customers.
- Work with Information Services to implement imaging for Police, Building Inspection and City Attorney and complete record control schedules for these departments.
- Install filing system for the storage of 50,000+ engineering drawings, freeing up floor space in engineering department for other users.

Performance Indicators

	2000-01 Actual	2001-02 Estimated	2002-03 Projected
Minutes Recorded Within 8 Days	100%	100%	100%
Documents Processed and Distributed Within 14 Days	100%	100%	100%
Records Stored Offsite	50%	16%	12%

	14%	50%	60%
Records Filmed Offsite	14%	50%	60%
Current Holdings Received	25%	25%	25%
Current Holdings Destroyed	17%	17%	17%

Activity Measures

	2000-01 Actual	**2001-02 Estimated**	**2002-03 Projected**
Council Meetings, Work Sessions, Committees Covered	95	95	100
Ordinances, Resolutions, and Contracts Distributed	1,060	1,045	1,050
Elections Conducted	1	2	1
Proclamations and Awards Issued	83	90	90
Solicitors' Permits Issued	26	60	50
Items Indexed	1,469	1,800	1,800
Deeds and Easements Recorded	710	400	400
Legal Notices and Bids Advertised	96	100	100
Zoning Books Sold	40	40	40
Meetings Notices Posted	407	350	395
Inactive Records Received	2,108	2,250	2,300
Inactive Records Destroyed	1,440	1,500	1,500
Reference Request Processed	504	500	500
Documents Microfilmed	591,350	550,000	550,000
Reports Copied to COM	208	210	210

Source: City of Irving, Texas 2002-03 Budget Document, http://www.ci.irving.tx.us/Budget/index.htm .

The exhibit above shows how the city ties each department's performance indicators and output measures to its budget. Irving's budget document presents overall departmental expenditure and staffing data. The budget also presents a list of prior year goals by department and the status of each.

Implementing performance measures in the City of Irving was a multi-year process that the Budget department headed. The first year of the process focused on implementing a new budget and finance system and getting each department to develop a system of performance measures. The second year of the process involved refining the performance measures, providing assistance

to those departments having a difficult time determining their measures and defining the data that would be necessary to gather to implement the system of performance measures. The city has now fully implemented the performance measurement system. The system has created an environment of continuous improvement that has led to higher quality services and increased customer satisfaction.

A community college that has implemented a system that links its strategic planning process to its budget is Indian River Community College (IRCC) in Florida, which serves the counties of Fort Pierce, Okeechobee, St. Lucie, Stuart and Vero Beach and has an enrollment of about 45,000. In 1999, IRCC developed its own online strategic planning software. The system is similar to HCCS' IE Portal. IRCC implemented its system in 2000. During the 2001-02 planning cycle, the college implemented the budget component of the system that links each component of the strategic plan to the budget.

Recommendation 10:

Develop and implement a system of performance measures by department and tie them to the budget.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The chancellor directs the vice chancellor for Finance and Administration to develop a model of performance measures.	July 2003
2.	The vice chancellor for Finance and Administration develops a performance measurement model for all non-instructional areas.	October 2003
3.	The vice chancellor directs the executive director of Financial and Budgetary Control to coordinate the process of performance measurements.	October 2003
4.	The executive director of Financial and Budgetary Control implements a performance measurement system.	February 2004
5.	All departments begin using performance measures.	Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 1
GOVERNANCE AND LEADERSHIP

D. Institutional Policies and Procedures

Effective institutional management requires sound, clearly written and legally valid policies. Policies and procedures enable organizations to communicate expectations to constituents. Adopting policy and establishing related procedures provide institutions of higher education with the tools for establishing board expectations and responsibilities; establishing an essential division between policy-making and administrative roles; creating guidelines within which people work; providing reasonable assurances of consistency and continuity in decisions; providing a legal basis for the allocation of funds, facilities and other resources; and acquainting the public with and encouraging citizen involvement within structured guidelines.

FINDING

HCCS has acknowledged that administrative policies and procedures are outdated and are in need of a complete overhaul. To address this issue, the system has contracted with a policy expert to develop a new set of administrative policies for the system.

The policy consultant began updating board policies in July 2001. In February 2002 the consultant presented a final set of bylaws to the board for approval. Work to update administrative policies is now underway. The consultant is scheduled to complete the system's human resources policies by the end of May 2003.

Effective leadership thrives in a system that has up-to-date policies and procedures to address the varied issues of administration and governance. Communication and sound decision-making thrive in a system that maintains effective policies and procedures. Policies and procedures must be reviewed regularly to maintain their relevance and usefulness. The executive leadership of the HCCS Office of the Chancellor has undergone frequent change over the past years. Thus, many policies and procedures on day-to-day operations are in need of updating.

COMMENDATION

HCCS has identified the need to update administrative policies and has provided the resources necessary to complete this task.

Chapter 1
GOVERNANCE AND LEADERSHIP

E. Legal Services

All institutions need legal services, whether they are provided by an in-house attorney or by an outside law firm. The amount of expenditures made for legal services is on the rise for several reasons, two of which are the litigious nature of the society in which we live and the rising cost to provide these services. For these reasons, having processes in place to manage and control legal fees, while at the same time ensuring that institutions receive quality legal representation is a challenge.

HCCS maintains an in-house legal staff. **Exhibit 1-28** shows that this area is staffed with a full time general counsel position and a full time legal assistant.

Exhibit 1-28
HCCS' Legal Services Organizational Structure
2002-03
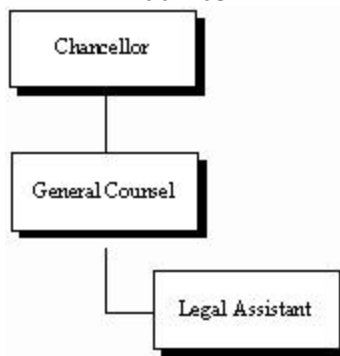
Source: HCCS Legal Services, organizational charts.

HCCS created the position of general counsel in 2001. The position was vacant between August 2002 and January 2003 after the original attorney resigned. HCCS hired a new attorney who started work on January 23, 2003.

In addition to the in-house legal staff, HCCS contracts with outside law firms for specialized legal services. Fees paid to the outside firms range from $125 to $300 per hour depending upon the expertise of the firm's attorney.

FINDING

HCCS has reduced the amount it spends in legal services fe es by creating an in-house general counsel position. **Exhibit 1-29** shows the system's legal service expenditures for 1998-99 through 2002-03. As this chart shows, HCCS reduced its legal expenditures by over 40 percent from 1998-99 to 2001-02.

Exhibit 1-29
HCCS's Legal Services Expenditures
1998-99 through 2002-03

Year	Legal Expenditures	Percent Increase/(Decrease) from Prior Year	Percent Increase/(Decrease) 1998-99 through 2001-02
1998-99	$808,145	n/a	n/a
1999-2000	$1,041,452	28.9%	n/a
2000-01	$988,107	(5.1%)	n/a
2001-02	$482,580	(51.1%)	**(40.3%)**
2002-03*	$500,000	3.6%	n/a

Source: HCCS report of legal service expenditures for department 0531-240 for the years indicated.
Amount listed for 2002-03 is the budgeted amount for legal services expenditures.

The in-house counsel resulted in significant savings for the system because the position was charged with reviewing and monitoring legal work that outside attorneys performed. In addition, the in-house counsel position is able to perform many of the legal review functions that HCCS used to send to outside attorneys.

COMMENDATION

By creating an in-house counsel position to monitor the use of outside legal services, the system has reduced its annual legal services expenditures by 40 percent.

Chapter 2
INSTRUCTION AND ACADEMIC SUPPORT

This chapter reviews Houston Community College System's (HCCS) Instruction and Academic Support in the following sections:

A. Management of Departments and Programs of Study
B. Course Scheduling and Availability
C. Program Development and Program Evaluation
D. Support Services
E. K-16 Initiatives

A community college offers instruction and academic support for workforce programs that lead to associate degrees or certificates; for freshman and sophomore arts and sciences courses; for adult career education and citizenship programs and for literacy programs. The college must assess the academic abilities of students from diverse backgrounds, and it must offer developmental education courses for students who lack the appropriate preparation for college. The school should measure student performance to identify strengths and weaknesses in the educational process so that it can take corrective action if necessary.

Federal and state laws require that students with special needs be identified and have equal access to educational opportunities. State law mandates that Texas colleges offer a core curriculum of general education courses for degree-seeking students in liberal arts, humanities, sciences, government/public affairs and social and cultural history.

Two-year Associate of Arts and Associate of Science degree programs are designed for students who plan to transfer to four-year baccalaureate programs. The two-year workforce programs leading to the Associate of Applied Science degrees are offered in a wide range of fields and are designed primarily to provide training for employment. In some cases such degrees also transfer into baccalaureate programs. Programs of study that require fewer than 60 credit hours lead to certificates.

Instruction at the college must meet specific standards for accreditation by the Southern Association of Colleges and Schools (SACS), which periodically assesses the college's performance.

BACKGROUND

The HCCS system, which has an enrollment of more than 50,000 academic, workforce and continuing education students, has five colleges: Central, Northeast, Northwest, Southeast and Southwest. The system is the

second largest singularly accredited community college in the country. The administrator of each college is a president who reports to the chancellor. The vice chancellor for Educational Development coordinates instruction in academic education, workforce education and instructional support programs at all campuses.

The academic and workforce deans, including a Health Science dean at the Southeast College, are responsible for the delivery of instruction at each college. The vice chancellor for Educational Development regularly meets with the academic deans and, with the associate vice chancellor for Workforce Development, conducts regular meetings with the workforce deans.

Academic department chairs report to the academic deans at each college. Each chair assumes responsibility for one or more departments at that college. Workforce department chairs report to the workforce deans. The workforce departments are organized into hubs, which consist of one or more departments across the HCCS. Each chair of a hub has responsibility for the departments within the hub. The hub chairs report to the workforce deans on the hub's home campus, but they coordinate course offerings and arrange for equipment with the deans and presidents on all campuses.

Each campus has a college operations officer who reports to the president and assists the deans and department chairs in the areas of purchasing, physical plant, budget development, budget transfers and financial matters.

Chapter 2
INSTRUCTION AND ACADEMIC SUPPORT

A. *Management of Departments and Programs of Study*

The full-time faculty of academic departments elect their department chairs, who serve three-year terms. The department chairs coordinate administration of one or more disciplines at each college. They develop course schedules; hire, supervise and evaluate faculty; create and manage budgets; purchase equipment and supplies; resolve problems; and generally ensure the smooth operation of their departments. Academic department chairs report to the academic deans at each college.

Each academic program, or group of programs, has a systemwide discipline chair elected by full-time faculty members in the discipline for a one-year term. The chair conducts meetings of the discipline committee, which includes all full-time faculty members in the discipline. Discipline committees make decisions about curriculum, textbook selection and other instructional matters within the discipline.

Workforce departments are organized into hubs with responsibility for instruction throughout HCCS. Department chairs lead the workforce departments and report to the workforce dean at the department's home college. Workforce department chairs have the same responsibility as discipline and department chairs in the academic area and are also elected for a three-year term. Many hub programs are taught on multiple campuses. Although generated systemwide, HCCS counts contact hours as if they were generated only at the home campus. Budget revenues for hub programs are allocated to the home campus of the hub, although funds may be spent for the program at any campus on which it is taught.

Workforce departments must meet with an advisory committee at least twice a year. This committee consists of professionals in the department field of study. The advisory committee keeps the faculty members apprised of the latest developments in the field and ensures that the department faculty are up-to-date on the equipment necessary to teach the courses.

The HCCS Curriculum Committee, which approves new or revised curricula, consists of administrators and faculty, including academic and workforce instructors, counselors and librarians. The academic program or department discipline committees and workforce program advisory committees give first approval to curriculum changes. Changes are then submitted to the Curriculum Committee for approval before they are

submitted to the Texas Higher Education Coordinating Board (THECB) or are included in course catalogs.

HCCS offers a wide range of academic and workforce programs to meet the needs of its diverse student population and the metropolitan area it serves. **Exhibit 2-1** and **Exhibit 2-2** list the programs of study offered at HCCS.

Exhibit 2-1
HCCS Program Areas for
Associate Degrees in Arts and Associate Degrees in Sciences
2001-02

Agricultural Science	Economics	Mathematics
Anthropology	Elementary Education, Teacher	Music and Commercial Music
Art	English	Philosophy
Biology	French	Physical Education and Health
Chemistry	Geography	Physics
Chinese	Geology	Pre-Engineering
Communications	German	Psychology
Computer Science	Government	Russian
Criminal Justice	History	Sociology
Dance	Japanese	Spanish
Drama	Journalism, Broadcasting	Speech

Source: HCCS 2001-02 Fact Book.

Exhibit 2-2
Program Areas for Associate Degrees in Applied Science and
Workforce Certificates
2001-02

Business, Marketing and Management	**Health Sciences**
Accounting	Pharmacy Technician
Business Administration	Physical Therapist Assistant

Business Technology	Radiography
Computer Information Science	Respiratory Therapist
Computer Science Technology	Surgical Technology
Credit and Finance	**Information Technologies**
Fashion Merchandising	Computer Science Technology
Hotel/Restaurant Management	Geographic Information Science
International Trade	Technical Communication
Logistics	**Manufacturing and Construction Trades**
Marketing Management and Research	Building Maintenance Trade
Real Estate	Carpentry
Travel and Tourism	Construction Technology
Commercial Arts	Heating, Air Conditioning and Refrigeration
Audio Recording/Video Production	Industrial Electricity
Broadcast Technology	Manufacturing Engineering Technology
Commercial Art	Machine Operations Technology
Fashion Design	Welding
Interior Design	**Public Service Careers**
Music Arranging, Composition and Production	Criminal Justice
Music Business	Fire Protection Technology
Music in Performance	Interpreting and Transliterating Technology
Photography	Legal Assistant Technology
Engineering-Related Technologies	**Science Technologies**
Drafting and Design Technology	Biotechnology
Electronic Engineering Technology	Chemical Laboratory Technology
Health Sciences	Environmental Technology
Clinical Laboratory Technician	Horticulture
Dental Assisting	Process Technology

Diagnostic Medical Sonography	Veterinary Paramedic
Science Technologies (continued)	**Transportation**
Emergency Medical Services	Automotive Technology
Health Information Technology	Aviation Maintenance Technology
Histologic Technician	Commercial Truck Driving
Human Service Technology	Diesel Engine Mechanic and Repair
Medical Assistant	Industrial Equipment Operation,
Nuclear Medicine Technology	Maintenance and Repair (Lift Truck)
Nursing (Associate Degree and Vocational)	
Occupational Therapy Assistant	

Source: HCCS 2001-02 Fact Book.

Compared to selected peer colleges, HCCS ranks second lowest in the percentage of students enrolled in academic programs and second highest in students enrolled in technical programs. HCCS enrolls 8 percent of its students in the Tech Prep program, high school courses for which students receive college credit upon successful completion of a specified number of HCCS courses. The percent of HCCS students who are enrolled in Tech Prep is the second highest among the peer institutions (**Exhibit 2-3**).

Exhibit 2-3
Students Enrolled by Program
HCCS and Peer Colleges
2001

College	Academic	Technical**	Tech Prep	Total*
Alamo	73%	23%	5%	100%
Austin	69%	23%	8%	100%
Dallas	36%	62%	2%	100%
HCCS	**39%**	**53%**	**8%**	**100%**
North Harris Montgomery	79%	4%	17%	100%

Forty-three percent of HCCS graduates completed their requirements in an academic program, the highest among the peer institutions. Thirty-four percent of HCCS students graduated or received a certificate in a technical program, and 23 percent completed a Tech Prep program, the fourth highest among peers in both program areas (**Exhibit 2-4**).

Exhibit 2-4
Graduates or Students Who Received a Certificate by Program
HCCS and Peer Colleges
2001

College	Academic	Technical	Tech Prep	Total*
Alamo	30%	57%	13%	100%
Austin	22%	47%	30%	100%
Dallas	41%	36%	24%	100%
HCCS	**43%**	**34%**	**23%**	**100%**
North Harris Montgomery	30%	19%	51%	100%

HCCS enrollment consists of 28 percent Anglo, the lowest percent among peer institutions. Of the 70 percent minority enrollment, 23 percent are African American, the largest percent among the peers, and 25 percent are Hispanic, the second highest among the peers (**Exhibit 2-5**).

Exhibit 2-5
Ethnic Student Enrollment
HCCS and Peer Colleges
2001

Ethnicity	Alamo	Austin	Dallas	HCCS	North Harris Montgomery
Anglo	36%	64%	46%	**28%**	67%
African American	7%	7%	21%	**23%**	10%

Hispanic	54%	21%	17%	**25%**	15%
Asian	2%	6%	8%	**12%**	5%
Native American	<1%*	1%	1%	**<1%***	<1%*
International	1%	1%	6%	**10%**	2%
Unknown	0%	1%	1%	**1%**	1%
Total**	**100%**	**100%**	**100%**	**100%**	**100%**

The percent of total graduates that are ethnic minorities is higher at HCCS than at any of its peer institutions; 34 percent are African American students, 23 percent are Hispanic students and 14 percent are Asian students. Seventy-three percent of all graduates are minority students, compared with 66 percent at Alamo Community College, 36 percent at Austin Community College, 52 percent at Dallas Community College and 37 percent at North Harris Montgomery Community College (**Exhibit 2-6**).

Exhibit 2-6
Graduates by Ethnicity
HCCS and Peer Colleges
2001

Ethnicity	Alamo	Austin	Dallas	HCCS	North Harris Montgomery
Anglo	35%	64%	50%	**27%**	62%
African American	10%	9%	23%	**34%**	13%
Hispanic	51%	17%	16%	**23%**	15%
Asian	3%	6%	8%	**14%**	6%
Native American	<1%*	1%	1%	**<1%***	<1%*
International	1%	3%	4%	**1%**	2%
Unknown	0%	0%	<1%*	**0%**	2%
Total*	**100%**	**100%**	**100%**	**100%**	**100%**

Of all students enrolled at HCCS, 30 percent are academically disadvantaged, 14 percent are economically disadvantaged, 4 percent have disabilities and 7 percent have limited English proficiency.

Exhibit 2-7 shows the percentage of students with a special need enrolled at HCCS and its peers as compared to total enrollment. In all special population categories, HCCS ranks in the middle of the peer institutions.

Exhibit 2-7
Students Enrolled by Special Population**
HCCS and Peer Colleges
2001

Special Populations	Alamo	Austin	Dallas	HCCS	North Harris Montgomery
Academically disadvantaged	43%	17%	28%	**30%**	55%
Economically disadvantaged	51%	5%	*	**14%**	17%
Individuals with disabilities	4%	2%	4%	**4%**	7%
Limited English proficiency	7%	*	16%	**7%**	2%

Thirty-three percent of HCCS graduates are economically disadvantaged, and 19 percent are academically disadvantaged, representing the second-highest percent among the peers (**Exhibit 2-8**).

Exhibit 2-8
Graduates by Population
HCCS and Peer Colleges
2000-01

Special Populations	Alamo	Austin	Dallas	HCCS	North Harris Montgomery

Academically disadvantaged	11%	3%	7%	**19%**	37%
Economically disadvantaged	47%	14%	*	**33%**	31%
Individuals with disabilities	5%	3%	6%	**6%**	7%
Limited English proficiency	2%	*	15%	**1%**	1%**

Source: THECB, Annual Data Profile, 2002.
*Not accounted for.
**Reflects how data is reported by THECB.

The number of first-time students who graduate, transfer or remain enrolled at an institution of higher education over a three-year period become known as "persistence" data. Of the HCCS students who enrolled for the first time in Fall 1998, 43 percent graduated, transferred to another institution or remained enrolled in Fall 2001, the lowest percentage among the peer institutions (**Exhibit 2-9**).

Exhibit 2-9
Graduation and Persistence Percentage for First-Time College Students
HCCS and Peer Colleges
1998 and 2001

College	Headcount of First-Time Enrollees Fall 1998	Total Graduated, Transferred or Still Enrolled Fall 2001	Percent Graduated, Transferred or Still Enrolled Fall 2001
Alamo	7,231	3,372	47%
Austin	8,085	3,902	48%
Dallas	8,212	3,896	47%
HCCS	**6,095**	**2,636**	**43%**
North Harris Montgomery	3,752	1,956	52%

Source: THECB, Annual Data Profile, 1998 and 2001.

Remedial courses help students learn the skills to succeed in life and pursue their education. Many students receive advice from either a high school counselor or an HCCS admissions or guidance representative to enroll in remedial courses because of their performance on local

assessment tests given at the community college. Some students choose to enroll in remedial courses because they are unsure of their basic skills in English or mathematics and wish to upgrade those skills before they begin traditional college courses. Other students are required to enroll in remedial classes because they did not pass the Texas Academic Skills Program (TASP), as required by state law. These students must retake and pass the test before they pursue their college studies. For a community college, a critical measure of success focuses on its ability to prepare these students to pass the TASP. Of all students enrolled in remedial courses at HCCS from 1999 through 2001, an average of 6 percent per year passed the TASP, the second-lowest percentage among the peer institutions (**Exhibit 2-10**).

Exhibit 2-10
Remedial Students Who Passed TASP
HCCS and Peer Colleges
1999 through 2001

College	1999	2000	2001	3-Year Average
Alamo	8%	9%	8%	8%
Austin	21%	13%	9%	15%
Dallas	5%	5%	5%	5%
HCCS	**7%**	**5%**	**5%**	**6%**
North Harris Montgomery	13%	8%	8%	10%

Source: Data Resources for the Legislative Budget Board (LBB) Performance Measures, 2002.

Of the students enrolled at HCCS from 1999 through 2001, an average of 79 percent completed their courses, a rate consistent with those of the peer institutions (**Exhibit 2-11**).

Exhibit 2-11
Students Who Completed Coursework
HCCS and Peer Colleges
1999 through 2001

College	1999	2000	2001	3-Year Average
Alamo	80%	81%	81%	81%
Austin	77%	78%	79%	78%
Dallas	76%	78%	80%	78%

HCCS	78%	77%	81%	79%
North Harris Montgomery	80%	79%	80%	80%

Source: Data Resources for the LBB Performance Measures, 2002.

FINDING

HCCS workforce curriculum changes are not presented to the Curriculum Committee as required by HCCS policy. Before a revision goes to THECB, the Process for Approval of New Programs and Program Revisions requires that the proposed revisions be approved by the program's Advisory Committee and submitted to the Workforce Deans' Council, and that revisions significantly altering the program be submitted to the Curriculum Committee. The final step of the process has not been followed consistently for workforce curriculum changes.

The policy requires the Curriculum Committee approve curricular changes submitted to THECB or that result in a change to the course catalog. Although the associate vice chancellor for Workforce Development has informed the Curriculum Committee of major changes to workforce programs, the changes have not been discussed or approved. Some workforce deans were unaware of Curriculum Committee requirements for change approval. In interviews, some deans said that policy required all curriculum changes to be approved, while others thought no approval was required for curriculum changes. Without adequate review by the Curriculum Committee, HCCS does not have a way to ensure that curriculum changes should be funded or that such changes do not conflict with other programs or with the college's strategic plan. According to one administrator, HCCS is presently correcting the situation.

In the most effective college systems, significant, curricular changes are reviewed by a committee of professionals who have the expertise and authority to determine that the changes follow the college's mission, do not overlap with other programs or courses and can be supported by the college financially and organizationally.

Recommendation 11:

Adhere to the college policy requiring that the Curriculum Committee approve curriculum changes, which are reported to the state.

Curriculum committee agendas should be published prior to a meeting so that any individual in HCCS can voice concerns about or support for those changes.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The vice chancellor for Educational Development instructs all department chairs to submit significant curricular changes to the Curriculum Committee for review and approval.	July 2003
2.	The vice chancellor for Educational Development informs the associate vice chancellor for Workforce Development and the chair of the Curriculum Committee that no changes will be sent to THECB or made to the catalog, without the approval of the Curriculum Committee.	September 2003
3.	The vice chancellor for Educational Development ensures that these directives are followed.	Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 2
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B. Course Scheduling and Availability

The department chairs at each college handle course scheduling. The college assigns rooms to departments, and chairs develop the schedules for the assigned rooms. Few changes are made to the schedule from one year to the next. The college prints and circulates the schedule submitted by department chairs. The schedule, organized by college and location, is distributed and made available on the HCCS Web site.

FINDING

HCCS has no central room scheduling or use system. Event management software was purchased in January 2003, but this software will only schedule the use of rooms by calendar date. The software will not track and analyze classroom use tied to student enrollment projections to help determine class load and space availability. In response to the registration process, each college conducts room schedule assignments, using a variety of tools and applications such as Microsoft Word and Excel. Schedules are not shared systemwide, and there are no mathematical algorithms to measure classroom use. Without a system, there are no projected needs for classroom space, although each college reports full use of its space and a need for more instructional space. A sample analysis of the use of space at Southwest College and Northwest College demonstrates that this may be the case. **Exhibit 2-12** shows how many classrooms are in use at the two locations.

Exhibit 2-12
Classroom Use at Selected Colleges
Fall 2002

Location	Type	Number	Hours Used per Week	THECB Standard	Status
Southwest College, West Loop	Classrooms	13	61	38	Over used
Southwest College, West Loop	Labs	8	30	25	Over used
Northwest College, Westgate	Classrooms	30	30	38	Under used

Northwest College, Westgate	Labs	5	47	25	Over used

HCCS measures how space is us ed with a system that benchmarks system figures against other national established standards for the number of square feet per each full-time equivalent (FTE) student.

Exhibit 2-13 compares the square footage per FTE at HCCS to its peer colleges, based on 2001 data.

Exhibit 2-13
Gross Square Feet/FTE
HCCS and Peer Colleges
2001

Community College	FTE Students	Gross Square Feet	Gross Square Feet Per FTE Student
North Harris Montgomery	17,073	1,872,831	110
Dallas	35,913	3,242,381	90
Alamo	26,647	2,310,000	87
HCCS	**27,685**	**1,998,904**	**72**
Austin	17,784	990,667	56

During interviews, college operations officers, college coordinators and the vice chancellor for Finance and Administration said that, without a systemwide room reservation system, classroom and laboratory scheduling cannot be balanced to maximize use, and accurate forecasts of room use or occupancy cannot be made. An event management system has been purchased, but it is a reservation system, not a true class scheduling and use application.

HCCS uses a system in which different curricula are administered from a single college campus location, reserving classes and laboratories on its own campus, as well as on other satellite colleges that provide the same course offering. HCCS refers to this as the "hub system," and it differs from the historical approach in which each college dean administered the

entire course offering at that college location. Under the hub system, the administering college reserves the classrooms at the satellite facility, but if the administering college does not fill the classes during registration, the reserved classes are unused for the entire semester. Without a classroom use system, accurate space needs cannot be predicted. In fall 2002, the Southwest College administered classes for computer training systemwide. Several labs were reserved at the Northwest College Westgate location by the Southwest College, to offer these courses. However, the Southwest College could not fill the sections they had planned to offer. Because there was no scheduling system and the Northwest College was not notified that the sections would not be filled, the labs went unused for the entire semester.

Large colleges and universities use scheduling programs to assign classes to specific rooms. These programs are integrated with the curriculum planning and registration process. Software typically incorporates room requirements, such as seating capacity, audio/visual requirements and the amount of writing surfaces. During the registration process, the software continually optimizes the use of rooms and identifies classes that cannot be assigned.

Recommendation 12:

Implement a systemwide classroom and laboratory use system for classroom scheduling.

HCCS should use a system tied to a computerized facility management and space inventory system. The system should allow scheduling of class offerings, analysis of use and forecasting of future classroom space based on future enrollment. The software should be integrated with the registration and course-scheduling process with a capability to optimize room assignments, recognize department priorities and base assignments on room characteristics such as seating capacity. Once the system is implemented, the collected data and projected enrollment and course offerings can be integrated into facility planning functions to more accurately forecast classroom and building needs.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The chancellor directs the director of Institutional Research to determine which data are needed to determine space availability for classroom scheduling.	August 2003
2.	The college presidents direct the deans to develop a procedure to coordinate with academic departments on their campus and hub programs throughout the system to optimize the classroom/space	September 2003

		availability scheduling process.	
3.	The director of Institutional Research directs staff to identify community colleges, such as Austin Community College, with successful models to determine the data they use to monitor scheduling.	September 2003	
4.	The deans recommend a procedure to coordinate scheduling that optimized space availability and provide requirements for a computerized scheduling system.	November 2003	
5.	The vice chancellor for Finance and Administration and the executive director for Purchasing issue a request for proposal (RFP) for a classroom use and scheduling system.	December 2003	
6.	The deans and the vice chancellor for Finance and Administration evaluate proposals and make a recommendation to the CET.	February 2004	
7.	The board approves the software purchase.	March 2004	
8.	The vice chancellor for Finance and Administration implements classroom scheduling software in conjunction with a systemwide space inventory and facility management information system.	June 2004	

FISCAL IMPACT

Classroom scheduling software purchases often involve a one-time fee for software implementation and setup, followed by annual support fees. The estimated total cost for software for the next five years is $50,000. This includes a one-time fee of $30,000 and annual subscription fees of $5,000.

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08
One-time cost for software purchase and setup.	($30,000)	$0	$0	$0	$0
Implement a systemwide classroom and laboratory use system for classroom scheduling.	$0	($5,000)	($5,000)	($5,000)	($5,000)
Net Cost	**($30,000)**	**($5,000)**	**($5,000)**	**($5,000)**	**($5,000)**

FINDING

The current course scheduling process does not optimize the use of historical data to produce the most convenient options for students and to

maximize class size. Although deans and department chairs try to produce schedules that serve the needs of students, there are factors that make the process difficult at HCCS. The lack of historical course schedule data limits the ability to create the most effective schedules. Examples include data related to high-demand courses and time of day, and data on students who tried to register but could not find a suitable course.

HCCS has a goal of increasing the average class size by one student, but this goal has not been met. For fall 2002, class size of 21.3 was approximately the same as it had been in fall 2001, but HCCS has taken no significant steps to revise the scheduling process. There are no guidelines for how many sections of each course should be offered, for preferred locations or time of day or for how large a class must be.

With the current course scheduling system, departments determine the number of sections to offer and which sections to cancel, based only on department experience. Departments at different colleges operate independently and do not coordinate courses offered or times the courses are offered. In some departments, more than 10 percent of the sections are cancelled. Students must rearrange their schedules, and sometimes they cannot find replacements for cancelled classes. In community colleges where course scheduling is effective, section guidelines are developed for each department and teaching site. These guidelines are developed using historical data on the number of sections that were offered successfully in previous semesters and the class size of those sections.

Best practices dictate that data be compiled and made available to schedulers, outlining the time and place of cancelled sections, as well as the enrollment, time and place of sections that were offered successfully and how many students tried to sign up for classes that were already full. These data will help schedulers to develop schedules that will best serve students.

Recommendation 13:

Compile and use historical data to develop coordinated course schedules and to increase the average class size.

Revise scheduling practices to include the development of data by the Institutional Research Department to help department chairs determine which courses to offer and what times are most popular for each course, as well as what courses should not be offered because they were cancelled in previous semesters. Coordinating schedules among colleges and departments would result in schedules that meet student needs and that make the best use of available faculty and space. This change should have a goal of increasing average class size by at least one student per section.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The chancellor directs the director of Institutional Research to determine what data are needed to improve the course scheduling process.	July 2003
2.	The college presidents direct the deans to develop a procedure to coordinate with academic departments on their campus and HCCS Hub programs to optimize the course scheduling process.	September 2003
3.	The director of Institutional Research directs staff to identify community colleges, such as Austin Community College, with successful course scheduling models and what data they use to improve and monitor course scheduling.	September 2003
4.	The deans recommend a procedure to coordinate course scheduling to the CET.	November 2003
5.	The CET approves the procedures for coordinating the course scheduling process, and the data to be gathered to facilitate the process.	January 2004
6.	The director of Institutional Research trains department staff and schedulers how to use the data to make decisions about course scheduling.	February 2004
7.	The vice chancellor for Educational Development works with deans and department chairs to develop section guidelines as data become available.	February 2004
8.	The director of Institutional Research assigns staff to compile course scheduling data.	Ongoing
9.	Schedulers use data and coordinate with other department chairs systemwide to develop effective and efficient course schedules.	Ongoing

FISCAL IMPACT

More than 12,000 course sections are offered at HCCS each year and the average class size is approximately 21.3 students. An increase of one student per section will increase the average class size to 22.3, allowing the same number of students to be served with 538 fewer classes. The number of sections that can be reduced is calculated by dividing the increase in enrollment due to larger classes by the new average class size (12,000 enrollments ÷ 22.3 enrollments per section = 538 sections).

Because one HCCS goal is to have 60 percent of all sections taught by full-time faculty, there will be 323 sections (538 sections x 60 percent) taught by full-time faculty. The average nine-month salary for full-time

faculty who teach 10 sections is $42,000, so the average cost per section for sections

taught by full-time faculty will be $4,200 per section, or $1,356,600 (323 sections x $4,200). The remaining 215 sections will be taught by adjunct faculty (538 sections x 40 percent = 215 sections). Because the average salary for adjunct faculty is $1,500 per section, the savings for 215 sections will be $322,500 (215 sections x $1,500), resulting in a savings for all 538 sections of $1,679,100 ($1,356,600 + $322,500) annually, beginning in fall 2004.

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08
Compile and use historical data to develop coordinated course schedules and to increase the average class size.	$0	$1,679,100	$1,679,100	$1,679,100	$1,679,100

Chapter 2
INSTRUCTION AND ACADEMIC SUPPORT

C. Program Development and Program Evaluation

Institutions of higher education continually add, improve or eliminate degree and certificate programs. Managing this process involves not only understanding the needs and expectations of students, but also the capability of faculty and staff and the scope of the offered programs. Course offering alternatives like distance learning offer a different set of challenges for course development and delivery. Management must regularly evaluate programs for their effectiveness and continued demand and to determine when a program requires modification or termination. HCCS and external agencies such as the THECB have processes and procedures to make these decisions.

FINDING

The HCCS distance education (DE) program is well established and well managed. The DE department offers full distance education courses, and individual instructional departments manage "hybrid" offerings, taught partly in a traditional setting and partly as Internet courses or telecourses. Faculty and student handbooks are available, and there is a distance education link on the HCCS homepage with student-centered information about the program. Counseling services are available online, a concept being studied for systemwide implementation. Student evaluation of instruction (SEI) is being piloted online for distance education courses. To maintain contact with system leadership, the DE department meets regularly with the vice chancellor for Academic Development, the academic and workforce deans, all faculty who teach DE courses and the Advisory Committee for Distance Education. The number of distance education courses offered at HCCS has increased from fewer than 75 in 1996-97 to more than 350 in 2002-03.

The mission of the HCCS Distance Education department is "to collaborate with colleges and system offices to provide students with a comprehensive array of credit and non-credit courses, programs and associated services." Courses are offered to students via three primary technologies: Internet, videocassette and broadcast television or telecourses. Students are assured that the same quality of instruction and academic credits offered on HCCS campuses is available through distance education programming. A comparison of DE course technologies is shown in **Exhibit 2-14**.

Exhibit 2-14
Distance Education Technologies
2002-03

Technology	Requirements
Internet Courses	*Weekly Assignments/Tests*
	Students complete weekly assignments at their own computers and communicate with instructors by e-mail. Tests and other coursework are completed as in on-campus classes. Examinations are taken on campus unless otherwise specified.
	Textbooks
	All courses require textbooks, usually the same as for on-campus courses.
Videocassette and Broadcast Television	*Weekly Assignments/Tests*
	Students view programming each week via broadcast TV or VCRs. Students have assigned readings, homework assignments and study guides. Telecourse programs are broadcast on PBS Channel 8 and may also air on the HCCS TV channel. Videotapes of programs are available at some HCCS libraries. Almost all examinations are taken on campus.
	Textbooks
	All courses require textbooks, usually the same for on-campus courses.

Source: HCCS Distance Education Web site.

The DE student handbook is posted on the DE Web site. The handbook contains general information about the department, academic and financial information, bookstores, student services, the library system, student life, policies and useful telephone numbers. The faculty handbook, revised in spring 2003, includes the responsibilities of DE instructors and the department, in three sections: before the semester begins, during the semester and end of the semester. It also contains checklists for instructors, sample forms and instruction sheets, calendars, sample newsletters, a sample course review sheet and suggestions for structuring student writing assignments.

Distance education related counseling services are offered through the HCCS student services department and a DE counselor at the Eastside campus. DE counseling includes issues about program or degree

objectives and is provided by telephone, e-mail or on campus. The DE counselor provides monthly reports to the counseling department chair. For the five months from May through September 2002, there were 3,488 student contacts with the DE counseling office. More than 62 percent or 2,165 of these were by e-mail, and 1,323, or 37.9 percent, were by telephone.

The DE department provides both in-person and online education and professional development training for faculty members who teach DE courses. Systemwide, the department helps faculty with professional development and support in incorporating instructional resources and methodologies into the curricula, by offering Faculty Certification in Instructional Technology.

COMMENDATION

The HCCS distance education program is well designed and well organized.

FINDING

The process for reviewing academic and workforce programs has not been approved at the system level, resulting in confusion. Program reviews are used to evaluate college academic and workforce programs and library services. Before 1998, program reviews were conducted primarily in workforce development with little formal attention to the review of academic programs. Between 1998 and 2002, all academic and workforce programs were reviewed using procedures cited by THECB as "excellent," but considered by HCCS to be cumbersome and bureaucratic. The HCCS 2002 SACS Self-Study indicated that findings in program reviews were not adequately used in planning and budgeting processes related to program improvement.

Beginning in fall 2001, progress reports were requested from all academic programs. The reports were posted on the HCCS Institutional Effectiveness (IE) portal and were used in 2002-03 planning and budgeting. The Academic Deans' Council approved additional modifications to the academic program review process in October 2002, and the workforce deans approved changes to the workforce program review process in February 2003. These changes would replace the Program Improvement Plans with an annual progress report, due from all academic and workforce disciplines on February 15th of each year. Additional changes are being proposed for addressing workforce programs that have been identified as "out of compliance" with THECB criteria. Changes to the review process for both academic and workforce programs are scheduled for consideration by the CET in March 2003.

There are a number of references to the process used for reviewing programs in various HCCS documents and on the Web site. The process listed on the HCCS Web site, dated November 1999, includes a stated purpose and seven implementation steps. HCCS's Educational Plan of August 6, 2001, also contains a description of the process, including a purpose and seven implementation steps that differ somewhat from those on the Web site. The most recent draft for the review of academic programs, dated October 29, 2002, contains a stated purpose and seven implementation steps that are different than those in the other two documents. The purposes and the implementation steps for the program review process listed on the HCCS Web site, its Educational Plan and the October 29 draft of the process are shown in **Exhibit 2-15**. In addition, there are two other documents that outline the program review process: *Program Review Process: Academic and Workforce*, February 1999 and *Program Review Process: Academic Disciplines*, September 24, 1999.

Exhibit 2-15
Comparison of Purposes and Major Steps
HCCS Program Review Process
1999-2000 through 2001-02

November 24, 1999 HCCS Web Site	**August 6, 2001 HCCS Educational Plan**	**October 29, 2002 Academic Program Review Draft**
Stated purpose of the process:		
To help promote a better understanding and appreciation of the program, increase availability of program data, identify program strengths and weaknesses, design plans for the correction of program weaknesses, establish measures for evaluation of programs and narrow any gap between program and institutional goals.	To help achieve stated goals, improve performance and plan better for the future.	A process of reflection, study and analysis conducted by the teaching faculty in each academic discipline.
Major steps in the process:		
1. The academic Discipline Committee initiates the self-study process by addressing the discipline planning and curriculum	1. A self-study at the system level of planning and curriculum for the discipline	1. The Academic Deans' Council creates a timetable for program review, ensuring that every academic

	sections of the system self-study instrument.		prepared by the discipline committee.		discipline, developmental program and the library undertake program review at least once every four years.
2.	Each college department conducts a self-study of the discipline at its college.	2.	A self-study of the discipline at each college prepared by the college department chair and college faculty in the discipline.	2.	The Office of Institutional Research (OIR) collects data and presents it to the disciplines conducting the program review process.
3.	Upon review of the self-study by the college academic dean and president, the college department chair sends its completed study to the discipline chair.	3.	An opportunity to review each college self-study by the college academic dean and college president.	3.	The discipline committee conducts a comprehensive evaluation of the discipline, using the data provided by OIR and other data specified in this document.
4.	The discipline chair (or review team) completes the remaining sections of the system self-study by analyzing the college self-studies and integrating the finding into the System Self-Study and Summary Report for the discipline, and forwards all components in a notebook to the vice chancellor for Educational Development (VCED).	4.	A system compilation of the college self-study reports (and system self-study of planning and curriculum) with a summary of findings by the program review team for the academic discipline.	4.	The discipline committee prepares a written analysis of the discipline, including strengths, weaknesses and recommendations.
5.	The discipline chair or appointed discipline committee member makes a summary presentation of the self-study findings to the Academic Deans'	5.	A final review with comments on the self-study findings by the Academic Deans' Council and the vice chancellor for	5.	The Academic Deans' Council evaluates and responds to the program review document prepared by the discipline committee.

	Council.		Educational Development.		
6.	The Academic Deans' Council provides written comments and recommendations to the discipline committee chair.	6.	A formal response for the discipline to the results of the above steps in the form of an improvement plan.	6.	The Academic Deans' Council makes appropriate recommendations to the college and system administration concerning policies, procedures and resource allocation.
7.	The discipline chair works with committee members to develop an improvement plan, which is delivered to the offices of the VCED and Institutional Research.	7.	Annual progress reports made to the Academic Deans' Council and the vice chancellor for Educational Development.	7.	The discipline committee submits annual progress reports by February 15 for each year between major program reviews.

Source: HCCS Web site, November 24, 1999; HCCS Educational Plan, August 6, 2001; HCCS, Academic Review Process Draft, October 24, 2002.

The draft of the *Academic Program Review*, dated October 29, 2002, was posted on the HCCS Web site in November 2002 as "revised and implemented October 2002." However, on November 13, 2002, HCCS personnel indicated that the academic deans had approved the draft but that it had not been submitted to the CET for final approval. The Program Review/Improvement Projects, dated June 13, 2002, listed September 2002 as the date for Executive Team approval for the "new program review guidelines."

HCCS staff indicates that the system's intent is that workforce programs follow the same procedures for program review that are being considered for academic programs. The process posted on the Web site, listed as "academic program review process and instrument," does not include any reference to workforce programs. The most recent process for reviewing workforce programs is outlined in the 2001 *HCCS Educational Plan* and is somewhat different than those used with academic programs. There are seven major steps in that process:

- in August each year the Office of Workforce Development updates the programs to be scheduled for program review that year;

- deans, program chairs and faculty in the designated programs attend an orientation/training session to review the process and procedures for program self-study;
- working with the workforce dean and president, as appropriate, the program chairs lead the self-study and summarize program strengths, weaknesses and plans for improvement;
- the Office of Workforce Development arranges for a visiting team of HCCS workforce faculty to review the self-study and supporting documents and deliver a final report to the Office of Workforce Development;
- the Office of Workforce Development arranges for a formal presentation of the program review to the Workforce Deans' Council for its concurrence with the program improvement plan;
- a final review with comments on the self-study findings by the Workforce Deans' Council and the vice chancellor for Educational Development is presented to the executive team; and
- programs are asked to make annual progress reports until the fourth year following the reviews when the process begins again.

Interviews with HCCS staff indicated that the procedures outlined in the *Workforce Development Program Review Process* dated November 18, 1999, are the ones followed in conducting program reviews of workforce programs. That document lists a 10-step process for reviewing programs: selection of the programs, program orientation for the review process, writing the self-study, attachments and evidence provided, assembling and submitting the document, review of the documents, the site-visiting team and the on-site visit, recommendations, action plan and closing the loop. The CET has not given final approval to the revised program review process approved by the Workforce Deans' Council. Program reviews are most effective in improving programs when there is a clearly outlined approved process that is communicated to all faculty and staff.

Recommendation 14:

Formally adopt the review process for academic and workforce programs and communicate the approved process to HCCS faculty and staff.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The vice chancellor for Educational Development works with the academic and workforce program deans in reviewing the Academic Program Review guidelines to ensure that the guidelines are applicable to workforce programs.	July 2003
2.	The vice chancellor for Educational Development makes any	August 2003

	necessary modifications to the guidelines for program review and submits them to the Academic Deans' Council and Workforce Deans' Council for review and approval.	
3.	The vice chancellor for Educational Development submits the guidelines to the CET for approval.	September 2003
4.	The vice chancellor for Educational Development ensures that the approved guidelines are posted on the system's IE portal and are communicated in other appropriate ways to faculty and staff.	October 2003 - Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

Not all deficiencies in the program review process identified in the HCCS SACS Self-Study have been addressed. Deficiencies that are not satisfactorily resolved could affect the system's continuing efforts to improve its academic and workforce programs.

In preparation for the SACS accreditation visit in 2002, HCCS conducted a self-study which found that while the program review process had a positive impact on system operations, it still needed to be strengthened. The review noted that HCCS's program review process had led to improvements in workforce education programs and library services and had supported expansion of full-time faculty and the purchase of current instructional technologies. The self-study identified the following weaknesses or shortcomings in the program review process:

- conducting the process on four-year rolling cycles that do not coincide with the development of the strategic plan;
- lacking a formal process for incorporating recommendations in the annual planning and budget process;
- failing to integrate discipline committee findings into the strategic planning process:
- lacking a clear link between findings at the college/departmental level and Institutional Effectiveness;
- failing to develop and approve a process for use in Corporate Training and Continuing Education; and
- lacking clear lines of responsibility and accountability for the timely completion of reports, peer reviews, improvement plans and follow-up reports.

The HCCS addendum to the self-study, filed in January 2002 before the scheduled March SACS visit, contained two recommendations related to program reviews. The academic program review process should be revised to include the development of improvement plans and follow-up reports for each discipline in a timely manner, the establishment of a clear link between the findings and institutional decision-making and the development of mechanisms to ensure full and consistent participation in the process by each college. HCCS should develop a written procedure for using the results of the program review in the academic area and in the development of improvement plans, and a procedure to document that the improvements have taken place.

The March 2002 SACS Reaffirmation Committee report indicated that "a number of program evaluations have neither measurable results nor any indication that this process has been used to make improvements" and lists the lack of documentation in the Program Improvement Plans of several workforce programs as supporting evidence. With respect to academic disciplines, the report states that "the problems are lack of consistent procedures for evaluation and even less consistency in documentation of results and of steps taken to improve programs." Several discipline reports were listed as lacking sufficient evaluations.

In its August 2002 *Response to the Report of the Reaffirmation Committee*, HCCS reported completion of the following:

- All academic disciplines and workforce programs completed program reviews between 1998 and 2002 and completed progress reports in fall 2001, noting improvements made and weaknesses not yet addressed.
- All Program Review and Program Improvement Plans that were not available at the time of the SACS visit have been updated and posted on the HCCS IE portal.
- A new Annual Progress Report form has been devised and implemented for all PRs to ensure that consistent procedures are used to evaluate the extent to which educational goals and program objectives are used to improve educational programs.
- In April 2002, budget recommendations resulting from academic and workforce deans' review of program weaknesses were included as a part of the HCCS Budget Planning process for 2002-03.
- In May 2002, the CET affirmed the use of Program Review results and reports for evaluation of educational goals and for future planning of educational improvements and established the following cycle for future program reviews.

September: Annual cycle of Program Reviews begins.

February: Annual Program Improvement Plans/progress reports submitted by all programs.

March: Program Review results used by Academic and Workforce deans to develop planning and budgeting recommendations.

April: Planning and budgeting recommendations finalized by deans, presidents and the vice chancellor for Educational Development. Planning and budgeting recommendations presented to the CET.

The HCCS IE portal contains a listing of academic and workforce program reviews. The reviews are listed as "academic discipline improvement plans 1999 to date" and "WF improvement plans 1999 to date," and each listing was last updated on the portal on November 13, 2002.

The format used to report "progress" for academic programs requires a listing of major improvements accomplished or under way since the program review and weaknesses uncovered during the program review that have not yet been addressed. The progress reports for all 27 academic programs listed are dated fall 2001, suggesting that no updates have been filed in the 12 to 14 months between the fall 2001 date on the reports and November 13, 2002, when the IE portal was last updated.

The reporting format for workforce programs requires that six types of information be provided: the workforce standard and program review recommendation being addressed, the timeline for the action being proposed, the person(s) responsible, the action planned and a report on the progress or action(s) taken. In addition, dates must be supplied for the self-study review, completion of the improvement plan and three progress reports.

Program review process forms for 49 workforce programs are posted on the IE portal. A review of the forms shows that self-studies were completed for all programs between January 1999 and December 2001, and that improvement plans were developed for all programs between June 1999 and January 2002. Progress reports are normally filed every 12 months. For 25 programs, more than 12 months have passed since the last progress report was filed. Eleven programs with improvement plans developed for more than 24 months have no progress reports posted.

Exhibit 2-16 shows completion dates for the self-studies, the improvement plans and the most recent progress reports for the 50 workforce development programs.

Exhibit 2-16
Completion Dates for Self-Study, Improvement Plan and
Most Recent Progress Report
Workforce Programs
February 26, 2003

Program	Completion Date		
	Self-Study	**Improvement Plan**	**Most Recent Progress Report**
Air Conditioning/Refrigeration	1/99	6/99	6/01
Business Technology	1/99	12/99	6/01
Cosmetology	1/99	6/99	12/99
Drafting and Design Technology	1/99	12/99	12/01
Electronic Engineering Technology	1/99	12/99	1/01
Real Estate	1/99	4/99	12/01
Accounting	1/00	12/00	None
Audio Recording/Video Production	1/00	2/00	None
Automotive Mechanics	1/99	6/99	2/00
Business Administration: Management	2/00	11/00	None
Medical Laboratory Technician	11/99	12/99	None
Court Reporting	10/99	1/00	1/01
Diagnostic Medical Sonography	1/99	2/00	None
Human Service Technology	3/99	2/00	3/01
International Trade	2/00	11/00	None
Manufacturing Processes/Engineering Technology	10/99	12/99	None
Occupational Therapy Assistant	10/99	2/00	None
Pharmacy Technician	9/99	12/99	4/01
Surgical Technology	4/00	11/00	12/01

Business Administration: Marketing	2/00	11/00	None
Dental Assistant	1/00	11/00	None
Interpreting/Transliterating Technology	1/01	11/01	12/02
Vocational Nursing	5/00	10/01	10/02
Associate Degree Nursing	10/00	12/00	None
Music	5/01	6/01	6/02
Emergency Medical Services	2/00	10/01	11/02
Welding	8/00	1/01	1/02
Childcare/Child Development	12/99	11/00	11/02
Commercial Art	11/99	12/99	12/02
Fashion Design	8/00	11/01	11/01
Fashion Merchandising	8/00	11/01	11/02
Geographic Information Science	12/01	12/01	12/02
Hotel and Restaurant Management	10/99	12/99	12/02
Travel and Leisure	10/99	1/00	1/02
Photography	11/01	1/02	11/02
Building Maintenance Trades	12/99	2/00	3/02
Industrial Electricity	8/00	1/01	1/02
Nuclear Medicine	10/99	12/99	12/02
Broadcast Technology	12/00	12/01	2/02
Physical Therapist Assistant	8/00	10/01	2/02
Legal Assistant	11/01	12/01	1/02
Radiology	10/99	12/99	1/02
Horticulture	8/00	12/00	12/01
Veterinary Paramedic	11/99	12/99	12/00
Respiratory Therapist	1/00	12/00	12/01
Audio Recording Technology	4/99	12/99	1/00
Financial Management/Banking	3/99	12/00	12/01
Health Information Technology	5/99	12/00	12/01

Physical Fitness Technology	11/99	10/00	10/01

Recommendation 15:

Implement all program review process deficiency plans developed during the Southern Association of Colleges and Schools self-study.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The vice chancellor for Educational Development identifies and compiles all recommendations in the SACS self-study and documents improvement of the program review process.	July 2003
2.	The vice chancellor for Educational Development submits the compilation to the Academic Deans' and Workforce Deans' Councils for review and input from selected academic and workforce faculty and chairs about procedures for addressing self-study recommendations and ensuring that progress reports remain current and are used in making improvements to programs.	September - November 2003
3.	The vice chancellor for Educational Development prepares an action plan from the input received through the Deans' Councils and submits the plan to the CET for review and approval.	November - December 2003
4.	The vice chancellor for Educational Development implements the approved action plan and ensures that the plan is posted on the HCCS IE Web site and communicated in other appropriate ways to faculty and staff.	January 2004 - Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 2
INSTRUCTION AND ACADEMIC SUPPORT

D. Support Services (Part 1)

Instructional and Academic Technology

HCCS uses a variety of instructional equipment in the wide range of its workforce programs, such as electronics, computer information technology and drafting. Many students use computers to complete their assignments in academic courses. HCCS has computer labs available for use by all students that are open from 9 a.m. until 8:45 p.m. Monday through Thursday and for at least six hours on Friday and Saturday. Three colleges open labs for at least four hours on Sundays. The number of computers available at each college, the number of FTE students and the number of FTE students per computer for each college are shown in **Exhibit 2-17**. Northwest College has one computer for every 8.6 students, the largest number of students per computer, and Southeast College has one computer for every 2.8 students, the fewest number of students per computer.

Exhibit 2-17
Computer Availability
Full-Time Equivalent Students per Computer
Fall 2002

College	Number of Computers	FTE Students*	FTE Students per Computer
Central	1,071	3,476	3.2
Northeast	520	1,641	3.2
Northwest	519	4,461	8.6
Southeast	753	2,105	2.8
Southwest	1,025	5,700	5.6
HCCS	**3,888**	**17,383**	**4.5**

Source: HCCS Institutional Research, Fall 2002.
*Credit Students only and FTE Student Enrollment are adjusted to 15 credit hours.

Computer support, including hardware and software installation and training for instruction, is provided to all instructional departments on

HCCS campuses. Each college has an on-site Instructional Technology team. The number of employees on each team generally varies for each college, depending on how many students, faculty, staff, computers and labs they support. Computer hardware and software are provided with funds from technology fees and Perkins grant money.

FINDING

The Northwest College uses innovative, cost-effective Virtual Science Labs to teach General Education Science courses. When the Northwest College expanded into the Town and Country facility, there were no funds or space for science labs. To provide for science instruction, the president challenged the science faculty to devise a plan to provide instruction in General Education Science courses without traditional science labs. The science faculty visited several colleges and universities to observe the facilities and coursework required to provide science instruction using virtual labs. The faculty devised a plan, designed the labs and developed coursework to teach the courses. The financial requirement for installation and maintenance of equipment and for required supplies was far less than that required for traditional science labs. The computer labs are now used to teach the targeted courses, and students have access to state-of-the-art science lab facilities.

COMMENDATION

Northwest College uses Virtual Science Labs as an innovative, cost-effective way to provide instruction in General Education Science courses.

Developmental Education

In 1987, the Texas Legislature established the Texas Academic Skills Program (TASP) to ensure that students who attend Texas colleges and universities have the basic academic skills required for success in their courses and to graduate. TEC Section 51.306 requires an assessment in reading, writing and mathematics of all students entering postsecondary education in Texas. Students who do not demonstrate mastery in any of the these areas must undergo continuous remediation until mastery on the TASP test is demonstrated. With some exceptions, students who do not pass all sections of the TASP test cannot obtain an associate's degree or certain certificates at community colleges nor can they take upper-division work at universities. In 1997, the Texas Legislature authorized the use of four tests as alternatives to the TASP test: the Assessment Skills for Successful Entry and Transfer (ASSET), "COMPASS" from ACT, and "MAPS" and "ACCUPLACER" from the College Board.

To be exempt from taking the TASP test a student must:

- have an ACT composite score of 23 and an SAT combined score of 1070;
- have a score of 1,770 on the TAAS writing test, a Texas Learning Index (TLI) score of 86 on the TAAS math test and a TLI score of 89 on the TAAS reading test;
- be enrolled in a certificate program of 42 semester credit hours or fewer at a public community college or technical college; or
- receive a waiver due to documented learning disabilities.

Students may take the test before graduation from high school or before the end of the first semester after enrollment at a postsecondary institution. Colleges and universities are required to offer developmental education courses to assist students in improving their reading, writing or math skills in order to pass the TASP test.

THECB's Center for College Readiness issues reports on the TASP test pass rates of students who enroll in Texas colleges and universities. The report for the 1995 through 1999 high school graduating classes shows that the percent of first-time test-takers who pass all three parts of TASP test and all three parts individually, declined for each racial/ethnic group. The total graduates and pass rates for each group-Native American, Asian, African American, Hispanic and Anglo-and for all groups combined are shown in **Exhibit 2-18**.

Exhibit 2-18
Statewide Initial TASP Pass Rates by Race/Ethnicity and Test Area
1995 and 1999 High School Graduating Classes

Race/ Ethnicity	High School Class	Total Graduates	Pass Rate			
			All 3 Parts	Reading Only	Math Only	Writing Only
All Groups	1995	73,207	51.7%	75.3%	64.3%	80.8%
	1999	77,562	28.6%	56.2%	41.2%	63.3%
Native American	1995	161	52.8%	77.0%	66.5%	89.4%
	1999	156	29.5%	56.4%	46.2%	67.3%
Asian	1995	3,168	53.9%	69.7%	85.2%	66.9%
	1999	2,316	33.8%	54.4%	61.8%	58.2%
African-American	1995	7,015	31.8%	60.8%	43.4%	69.3%
	1999	10,412	16.0%	43.2%	25.8%	56.0%
Hispanic	1995	18,121	37.9%	65.4%	53.2%	72.2%

	1999	25,058	20.7%	47.9%	33.5%	62.5%
Anglo	1995	44,742	60.3%	82.0%	70.7%	87.1%
	1999	39,620	36.7%	65.0%	48.9%	75.9%

Source: THECB, Center for College Readiness.

In 1996, THECB commissioned an evaluation of TASP by the National Center for Developmental Education (NCDE). A team of eight consultants conducted site visits at 20 Texas colleges and universities to interview administrators, faculty, staff and students. Course syllabi, evaluation reports and THECB materials were collected and reviewed, and student performance data available through THECB databases were analyzed. Information gathered was used to determine the adequacy of the TASP and its implementation, the effects of the use of the TASP test and whether there was a continued need for the use of the test.

FINDING

HCCS has not fully implemented the plans for improvement contained in its *Developmental Education Plan 2000-2001* as required by THECB. All Texas public institutions of higher education were required to adopt a plan no later than June 10, 2000, for "...the provision of effective developmental education to students who do not have college-level skills in reading, writing and mathematics." THECB rules require that each plan address 13 elements. The HCCS Developmental Education Plan includes a summary of plans to improve HCCS's Developmental Education Program. The THECB required plan elements and HCCS's summary of plans for improvement are outlined in **Exhibit 2-19**.

Exhibit 2-19
THEBC Required Developmental Education Plan Elements and
HCCS Summary of Plans for Developmental Education Program
Improvement
May 15, 2000

Item	Description
Required Developmental Education Plan Elements	
1	Provide for quality and accountability for the developmental education program.
2	Promote improvement in, and the effective delivery of, the developmental education program.
3	Describe the paths students must take to meet the requirements of TEC 51.306 at that institution. i.e.. testing prior to enrollment. completing

	developmental education, retesting and admission to a "B" or better course.
4	Include programs to advise students at every level of undergraduate courses and degree options appropriate for the individual student.
5	Specify when a student shall begin developmental education.
6	Specify what developmental education must be taken.
7	Specify when the student has successfully completed all required developmental work.
8	Include policies to require and monitor students' participation in appropriate developmental education courses and/or other types of programs until such students have fulfilled the requirements specified in TEX 51.306.
9	Include provisions for transferring students.
10	Include the test instruments and performance levels to be used to assess and place students into a developmental education program or into collegiate-level courses (institutions may set higher performance standards than those established by the state).
11	Include the circumstances under which a student who does not pass all areas of an assessment may, before completing a developmental education program or passing all areas of assessment, enroll in college-level coursework including "B or better" courses.
12	Include the requirements for student completion of a required developmental education program.
13	Include mechanisms and standards to evaluate and measure the effectiveness of the institution's developmental education program.
HCCS Plans for Improvement	
1	HCCS will improve its collection of data with the adoption of specific program effectiveness indicators to allow for summative program evaluation and ongoing plans for program improvement.
2	HCCS will conduct an annual self-study of the Developmental Education program using Self-Study Guidelines suggested by the National Association of Developmental Education to improve its collection and analysis of data for use in formative program.
3	HCCS will commit itself to implementation of "best practices" as identified in the professional literature on developmental education to help improve its Developmental Education Program.
4	HCCS will publish and post on its Web site a regular program newsletter entitled *The Vision - A Forum for Developmental Education Issues at HCCS* for improved student, faculty, staff, administrator, and public

	information and communication.
5	HCCS will implement the TITLE V project to infuse technology into student learning and services, create and implement improved student orientation, and develop and implement a "smart card" system to help track student use of services and facilitate institutional research on their effectiveness.

6	HCCS will clarify/improve institutional policies and processes for the proper assessment, advising and course placement of students.
	
	    a. A new flowchart for intake of students has been devised. (fall 2000)
	    b. Implementation of testing level one certificate students will improve collection and analysis of data. (fall 2000)
	    c. All HCCS college-level course prerequisites will be reviewed and updated. (fall 2000)
	    d. Students failing two or more sections of TASP or ASSET/COMPASS will be required to enroll in GUST 0303 Study Skills/Orientation in their first semester of enrollment. (fall 2000)
	    e. Policies allowing "casual students" to defer developmental education have been implemented. (spring 2000)
	    f. Students will be required to declare a major prior to the end of their first semester for assignment of advising responsibilities. (fall 2000)
	    g. An "early warning" system to alert students of need for academic and counseling intervention will be expanded systemwide. (spring 2001)
	    h. Restrictions on students' course loads and late registration will be discussed for implementation in spring 2001.
	    i. Computation of students' grade point averages will be separated for developmental versus college-level courses beginning in spring 2001.

7	Plans for greater articulation between the Developmental Education Program and programs for academic English as a Second Language (ESL), Adult Education, and students with disabilities have begun. Plans for greater articulation between the Developmental Education Program and area feeder high schools will be discussed for implementation in spring 2001.
8	New HCCS "cut scores" have been identified and a new course for the lowest-level reading students has been developed for implementation in fall 2000.
9	New flexibility was provided in spring 2000 for HCCS Academic Deans of instruction to allow exceptions for students regarding entry into "B or better" courses, continuous remediation and the need to drop students from all college classes when they withdraw from a required developmental

	education course.
10	HCCS has adopted new policies for fall 2000 designed to encourage greater student responsibility and commitment to successful course completion, including an earlier deadline for student withdrawal and a limitation on the assignment of "IP" grades in developmental education courses.

Source: HCCS, Developmental Education Plan, 2000-01.

Since 2000, HCCS has initiated a number of ways to help students succeed in college, including:

- adopting a College Orientation/Study Skills course (GUST 0303) for all new students who fail two or more sections of the TASP or ASSET;
- adding one hour of instruction to MATH 0312, Intermediate Algebra and providing funds for additional assistants in math computer labs;
- updating and expanding tutorial software for mathematics instruction, including Academic Systems, a Web-based interactive tutoring system;
- adopting one-hour Student Success Seminars (GUST 0101) selected by students failing one section of TASP or ASSET, based on individual needs (spring 2003);
- introducing online tutoring via SmartThinking at all five colleges (fall 2002);
- providing funds for Supplemental Instruction, a program that invites students who complete a course with a grade of A to repeat the course as tutors for new students, for both academic and workforce students (spring 2003); and,
- initiating the Student Success Model to better advise students and help them to understand and use available HCCS resources.

According to system personnel, the plans for improvement contained in the May 2000 *Developmental Education Plan* are in varying stages of implementation. Three of the 10 activities have been implemented or completed, six are under way or have been partially addressed and little or no progress has been made on one item. The plans for improvement, by item, and the status of each are shown in **Exhibit 2-20**.

Exhibit 2-20
Status of Plans for Improvement
Developmental Education Plan May 2000
February 2003

Improvement	Status of Completion/Implementation

Plan Item	
1	*In progress*: Central College is reviewing the success of students in its developmental education program regarding goals stated in the Plan. OIR is currently examining the relationship between scores of developmental education students and success in the aviation maintenance program to determine if score prerequisites should be set for the program.
2	*In progress*: Use of NCDE guidelines being used by some colleges. Use of guidelines is being addressed in the system program review process.
3	*In progress*: "Best practices" implemented include adoption of GUST 0303 and 0101 courses, an added hour of instruction for MATH 0312, updating and expansion of tutorial software and initiation of online tutoring and Student Success Model.
4	*Not addressed*: Review of HCCS Web site has begun.
5	*In progress*: The Title V "smart card" has been underway for over a year and work continues on programming and installation of card readers.
6	*In progress:* The first seven items in the plan have been completed; the last two have not.
7	*In progress:* A subcommittee of the Academic Deans' Council has been working on this for over a year.
8	*Completed:* "Cut scores" for all courses in all programs have been identified and will serve as an advising tool for faculty.
9	*Completed:* Completed Spring 2000.
10	*Completed:* Implemented Fall 2000.

Source: HCCS Vice Chancellor for Educational Development, Tracking Sheet, February 10, 2003.

Developmental education plans were required of all postsecondary institutions to assess and place undergraduate students entering the institution and to provide effective educational programs for students who lack college-level skills in reading, writing and mathematics. Schools with effective developmental education programs demonstrate a commitment to development of a plan that outlines how improvement will be made and to the implementation of plan components on a timely basis.

Recommendation 16:

Establish a timeline for the completion of all improvement efforts outlined in the HCCS Developmental Education Plan.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The vice chancellor for Educational Development directs the appropriate discipline and department chairs to develop timelines and to provide updated status reports on efforts in their specific areas to implement the "plans for improvement" contained in the May 2000 *Developmental Education Plan*.	July 2003
2.	Discipline and department chairs submit the status reports to the Academic Deans' Council or the Workforce Deans' Council, as appropriate.	October 2003
3.	The respective deans' councils review the reports and, upon concurrence, submit composite reports, including estimated budget impacts, for academic programs and workforce programs to the CET through the vice chancellor for Educational Development, for review and approval.	January 2004
4.	The CET reviews the recommendations and submits them to the Board of Trustees for consideration and approval for inclusion in the 2004-05 budget.	March 2004
5.	The chancellor delegates responsibility to the vice chancellor for Educational Development for implementing initiatives that do not require additional funding and initiatives that require additional funding, upon approval by the board.	April 2004 - Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Library System

Libraries are critical components of any school. Students and faculty need access to books, journals and other documents for teaching, researching and learning. At HCCS, print, media and electronic collections are accessible in the libraries and on the library homepage on the HCCS Web site. Print materials are available for checkout systemwide as well as for delivery among the various campus libraries. Faculty members may check out media items and equipment for use in any HCCS classroom. Librarians instruct students in the use of print, media and electronic resources in classrooms-individually on request and through online tutorials available on the library homepage.

Reference and circulation services are offered at all HCCS libraries. HCCS library holdings are shown in **Exhibit 2-21**.

Exhibit 2-21
HCCS Library Holdings
January 15, 2003

Library	Books	Periodicals	Media	Total
Coleman	4,832	104	2,367	7,303
Central	44,002	98	7,404	51,504
Codwell	12,132	144	1,841	14,117
Eastside	19,412	156	680	20,248
Northline	11,391	70	841	12,302
Pinemont	870	48	85	1,003
Stafford	13,491	77	515	14,083
Town and Country	12,486	58	931	13,475
Westgate	11,434	63	1,462	12,959
Whitely	5,608	0	1,597	7,205
West Loop Center	14,772	118	388	15,278
Total	**150,430**	**936**	**18,111**	**169,477**

Source: HCCS, Library Statistics Report, January 15, 2003.

More than 80 electronic databases offer students access to electronic books and journals through any HCCS campus computer. The library's proxy server provides off-campus access to electronic materials, allowing students, faculty and staff to search for and read newspaper, magazine and journal articles from a remote computer with Internet access. The number of databases available through the proxy server by subject or program area is indicated in **Exhibit 2-22**.

Exhibit 2-22
HCCS Library Databases by Subject
February 10, 2003

Subject	Number of Databases
All subjects	19
Art	2

Business/Economics	6
Computer Science	2
Education	6
Government	7
Health Sciences	9
History	8
Languages	4
Literature	10
Mathematics	2
Music	2
News/Current Issues	6
Philosophy/Religion	1
Psychology	2
Science	6
Sociology	2
Technology	3
Vocational	2
Total	**99**

Source: HCCS, Library databases by subject, February 10, 2003.

Chapter 2
INSTRUCTION AND ACADEMIC SUPPORT

D. Support Services (Part 2)

The HCCS library system has a public services component comprising the libraries at each college and a technical services component or Library/Learning Resource Center Support (LLS). The public services component provides direct services to students, faculty and staff. The LLS component offers "behind-the-scenes" support for public service units in the areas of acquisition, cataloging, automation management, processing and serials. This arrangement is common in community colleges and provides some budget benefits because it eliminates the need for duplicate services at each college library.

Statistics on database use, circulation and instruction data and headcounts determines how much and how effectively library services are used. Self-evaluations and program reviews are also used to evaluate services.

HCCS students, faculty and staff can also use the TexShare system and the Texas Medical Center Library (TMC). TexShare is an arrangement among various Texas libraries that gives patrons access to all collections, either on-site or through borrowing agreements. The resources of the TMC are available free-of-charge to students, faculty and staff from seven participating and 15 supporting institutions and the Harris County Medical Society. Both TexShare and TMC require a library card to check out materials, and each has its own policies for checkouts, fines and renewals.

FINDING

HCCS is committed to establishing library system standards and to providing the resources to meet those standards. In spring 2001, the HCCS library program was reviewed "to assess and evaluate the libraries to ensure their relevance to the purpose of the institution and its success in achieving its goals." Critical success indicators and standards for successful program operation were developed to support the requirements of SACS and THECB with additional recommendations from HCCS library department chairs, librarians and the director of Library/Learning Resource Center Support. Other information was gathered from standards developed by the Association of College and Resource Libraries (ACRL), the Association for Educational Communications and Technology and the American Library Association.

Four critical library success indicators include resources, services, student learning outcomes and support. Major conclusions for these areas are shown in **Exhibit 2-23**.

Exhibit 2-23
Major Conclusions of Library Program Review
Spring 2001

Critical Success Indicator	Major Finding of Program Review
Library Resources Staff	• Well-qualified, experienced and dedic ated. • Part-time library assistants difficult to retain because of low pay. • Libraries have half the support staff recommended for the size of HCCS; external review recommended doubling the staff. • Four librarians and three clerks have been added, although the "HCCS Library: Plan for SACS Compliance" called for the addition of seven librarians and 13 support staff by 2000-01.
Administration	• Current organization (no administrator below the level of vice chancellor to resolve impasses at the librarian or director levels) is unusual but has worked well. • Level of cooperation between director of Library Support and library chairs has been high. • Library system divided among colleges to provide greater control at that level for serving students. • Most library budgets are well short of the 5 percent of overall budget recommended by ACRL (securing budgetary resources for the libraries is a function of the library chairs who work with the college administrations, resulting in varying degrees of support at the college leve l). • No budget guidelines exist for the development of library budgets. • Two libraries have been established outside of the agreed-upon policies, goals or standards: Piedmont Center and the combined library/computer lab at Town and Country Center. • The chief administrator of the library at each campus is the library chair who reports to the academic dean at that campus, resulting in a relatively weak voice in support of the library (the library administrator in many

	community colleges is a dean).
Collections	• Library collections are approximately 60 percent of that recommended by ACRL for a system the size of HCCS. • Impact of supplemental funds granted by the board specifically for purchase of library materials at Central and Northeast Colleges negated due to college administrations' decisions to reduce library budgets based on the receipt of supplemental funds.
Facilities	• No HCCS library facility meets any standard, established goal or plan. • Only Southeast College has written plans to increase the library to the HCCS recommended size, and Central, Northline, Town and Country, Eastside and West Loop are at or near the interim recommended size.
Services	• Bibliographic service to students is high quality throughout HCCS. • A lack of professional librarians hampers ability of staff to provide service to students who are most in need of one-on-one instruction. • Production work required by all college libraries continues to be supported through the Central College budget. • Orientation to library services not provided distance education students through DE department or by DE instructors.
Student Outcomes	• Documentation of learning as a result of library instruction is nearly non-existent.
Support Services	• The director of the LLS is seen as spokesperson for the HCCS library system, although there are no supervisory responsibilities relative to the public service units attached to the position. • The public services/LLS organization has resulted in some confusion between the public service and LRC components with respect to automation management and purchasing and processing.

Source: HCCS, Library Program Review, 2001.

The academic program review process requires that progress reports be filed 12 months after program review completion. A progress report for the library program was filed in summer 2002. It listed major improvements that had been completed or were under way as well as weaknesses that had not yet been addressed sufficiently. Improvements and weaknesses are shown in **Exhibit 2-24**.

Exhibit 2-24
Improvements and Weaknesses
Library Program Progress Report
Summer 2002

Improvements Since Program Review	• Additional full-time faculty and staff hired. • Online subscription databases offered via proxy server increased. • Library collections improved with eight libraries nearing or surpassing interim goal of 15,000 volumes per library. • Upgrading of computers, audiovisual and instructional equipment continued.
Weaknesses Not Sufficiently Addressed Since Program Review	• Useful instrument to measure and document effectiveness of services and instruction lacking, although modifications have been made or proposed to classroom and distance education SEOIs, student and faculty surveys and program review instrument to better gather information about services and quality of instruction. • Limited progress at the college level in either meeting the system's interim goal of 10,000 square feet per library or including the ultimate goal of 20,000 square feet in master facility plans. • Insufficient progress made in addressing the library service needs of distance learners.*

Source: HCCS, Libraries Academic Program Review Progress Report, Summer 2002.
*The Distance Education (DE) Operating Plan (revised 2/12/03) includes a section on providing library services to DE students.

In August 2002, proposed library standards were submitted; in November 2002, the standards were tentatively approved by system vice chancellors and college presidents. As approved, the standards addressed faculty

librarians, non-faculty support staff, facilities, collections, hours of operation and technology. These standards are shown in **Exhibit 2-25**.

Exhibit 2-25
Standards for HCCS Libraries
August 2002 and November 2002

Area	Standard	
	Proposed August 2002	**Approved November 2002**
Librarians (faculty)	• One full-time librarian per 750 FTE students with a minimum of two full-time librarians per site in addition to a department chair at each college.	• No change. (Statewide benchmark: 1/649 HCCS ratio: 1/737)
Support staff (non-faculty)	• One full-time support staff per 400 FTE students.	• One full-time support staff per 500 FTE students. (Statewide benchmark: 1/559 HCCS ratio: 1/770)
Hours of operation	• Varies by site, demand and budget.	• 60-65 hours per week minimum during the semester. (All libraries exceed 60 hours per week except Central Whiteley at 58 hours per week.)
Collections	• 50,000 volumes (items) minimum in each full-service, general library, or • 15 volumes (items) minimum per FTE student per campus/library site.	• No change. • No change. (Statewide benchmark: 1 student per 24 items. HCCS ratio: 1 student per 6 items)
Technology	Three-year replacement cycle for	No change.

	computers.	

Source: HCCS, Proposed Library Standards, August 2002 and November 2002.

COMMENDATION

HCCS has demonstrated its commitment to establishing standards for the library system and to providing the resources to meet the standards.

FINDING

Central College library operates the HCCS Training and Development Library, a collection of books and videos available to HCCS faculty and staff, and to Houston-area businesses, nonprofit organizations and governmental agencies. Established in the late 1970s, the library charges an annual tax-deductible membership fee to businesses and organizations. There are no other fees such as rental fees or overdue charges, although the library will suspend lending privileges to any group that consistently fails to return materials on time. The usual loan period is four days, including pickup and return days. The library does not deliver or ship; members make their own arrangements for picking up materials. Membership fees are based on the size and number of employees in member organizations and range from $300 per year for a nonprofit organization with 99 or fewer employees to $725 per year for a for-profit organization with 1,000 or more employees. Membership fees are used to purchase videos and for printing and mailing expenses.

Available resources include more than 3,000 videocassette training programs, catalogs and update newsletters, reference books, periodicals and indexes. No equipment is available. All librarians and library assistants at the Central College library help with daily circulation of Training and Development Library materials. One library assistant handles membership records, annual fees, video circulation, courtesy due-date reminders and members' special needs. An assigned librarian selects videos, prepares and mails newsletters, produces the printed catalog and handles problems.

COMMENDATION

HCCS offers a large inventory of training materials to faculty and staff and to area businesses and nonprofit organizations for a nominal charge.

Childcare

HCCS offers childcare services to students, faculty, staff and the community at Central College and to workforce students at Southwest College. Information about the childcare programs is on the HCCS Web site. The Central College Web site includes the application form and the fee structure.

Two Childcare managers, one at each college location, administer the childcare programs. The childcare program at Central College has existed for 13 years and currently operates out of two locations to accommodate the demand for childcare. The Central College Childcare Center started as a lab program for the Child Development Department, and the Child Development students were given internships to work at the center. The Childcare Center was initially established for the college's faculty and staff but has since made students the priority. Recently the Childcare Center has been operated by a private provider, although interns are hired to assist the staff.

There are two childcare facilities at Central College. The Central College Child and Family Center at 3412 Crawford Street cares for children aged three to five and can accommodate up to 40 children. The HCCS Child Development Lab School at 4115 Caroline cares for children from six weeks to three years old and can accommodate up to 34 children. Both centers operate year-round. Central College offers another program, the Middle School Summer Institute, which runs for 10 weeks from June through August. HCCS is in the process of selling the Caroline building and is negotiating the purchase of a larger building that will house both childcare centers. With that purchase, the childcare center could accept 200 children at Central College according to HCCS staff.

Hours of operation at the Central College Child and Family Center are Monday through Friday from 7 a.m. to 5:30 p.m. and from 5 p.m. to 10:00 p.m. Monday through Thursday, if there is sufficient enrollment. The evening class staff offers help with homework. The HCCS Child Development Lab School hours are 7 a.m. to 5:30 p.m., Monday through Friday.

The Childcare Center manager manages both locations at Central College and reports to the assistant dean of Student Development. The manager supervises six full-time teachers, three full-time assistants, 15 to 21 part-time staff members, one secretary and two part-time clerks.

The Central College Childcare Centers receive revenues from fees as well as from federal and state grants and contracts for individuals who qualify for assistance. **Exhibit 2-26** lists the tuition fees charged to families who do not qualify for grant assistance.

Exhibit 2-26
Central College Childcare Tuition Fees
Effective Fall 2002

Type of Client	Tuition Fees per Child
General Public	
Infant/Toddler	$500/month
Preschool	$425/month
Summer Institute	$100/week
HCCS Faculty/Staff	
Infant/Toddler	$350/month
Preschool	$350/month
Evening Care (Monday-Thursday)	$60/week
Evening Care (Saturday)	$17.50/day
Summer Institute	$100/week
HCCS Students	
Full-time (all ages)	$350/month
Evening Care (Monday-Thursday)	$60/week
Evening Care (Saturday)	$17.50/day

Source: HCCS, Central College, Parent Handbook, Fall 2002.

The Childcare Center manager writes and receives grants. The Central College Childcare Centers have acquired three grants to assist parents in low-income brackets. **Exhibit 2-27** shows grant and award amounts for the fiscal years 1999 through 2002.

Exhibit 2-27
Central College Childcare Grants
1999-2000 through 2001-02

Grants	2000	2001	2002
Carl D. Perkins Vocational & Technical Act	$30,540	$38,670	$18,420
Childcare Access Means Parents in School Program (CCAMPIS)	$99,055	$55,375	$73,083
Childcare Council	$40,892	$87,562	$31,038

Total	$170,487	$181,607	$122,541

The Carl D. Perkins Act provides federal funding for secondary and postsecondary vocational education programs. The program develops the academic, vocational and technical skills of secondary students and postsecondary students in vocational and technical education programs. The U.S. Department of Education Office of Vocational and Adult Education administers the funds. Colleges and universities can use the funding at their discretion, but they must follow Perkins Act guidelines. Fund recipients must file end-of-project reports and undergo normal institutional audits. Funds are used to purchase occupationally relevant equipment, vocational curriculum materials and learning lab materials. Funds are also used for curriculum development or modification, staff development, career counseling and guidance activities, efforts for academic-vocational integration, supplemental services for special populations, hiring vocational staff, remedial classes and expansions. HCCS divides the funding among all five colleges. Each college determines how it will use the funding. Central College has budgeted money from this grant each year for the childcare centers.

The Office of Postsecondary Education funds the Childcare Access Means Parents in School program. Colleges are eligible to receive a grant under this program if the total amount of all federal Pell Grant funds awarded to students enrolled at the college in the preceding fiscal year is at least $350,000. The funding supports the participation of low-income parents in the postsecondary education system by providing campus-based childcare. Students qualify for this program if they are eligible for a Pell Grant. The college can also use this funding for parenting programs; for faculty, staff, program and curriculum development costs; for personnel costs; for supplies and equipment and for minor renovations and repairs.

The Childcare Council of Houston administers childcare and parental development services that are funded by the Community Development Block Grant (CDBG) of the Houston Housing and Community Development Department. Federal guidelines cap the portion of the CDBG grant that can be spent on public services at 15 percent. CDBG day care services include childcare and parental development for low- and moderate-income families who are employed, enrolled in vocational training or seeking employment.

In addition to the three grants, the Central Community College has two contracts with the Houston Galveston Area Council (HGAC). Both

contracts are from the Workforce Development program administered by HGAC, which includes a regional childcare management program for workforce participants. Funding for one contract is based on the amount that HCCS receives from the CDBG and is used for childcare services. The other contract is for quality improvement and is offered if money is available. Funding from this contract can be used for faculty, staff, program and curriculum development costs; for personnel costs; for supplies and equipment and for building improvements to the childcare centers. The system gets $1.60 for each dollar that Central College spends on the childcare centers.

Southwest College also budgets money from the Carl D. Perkins grant for childcare. However, the Southwest College provides childcare only for students who qualify under the Perkins grant. The program is called the Children's Homework Enrichment Program (CHERP). Since 1994, the Southwest College CHERP has offered grade-appropriate educational activities and resources to parents who attend evening classes at HCCS. The program eliminates a barrier that economically disadvantaged students with children sometimes face and provides tutors to children who sometimes have limited access to academic and educational resources at home.

Previous funding for CHERP has come from the George Foundation ($23,945 in 1999; $21,500 in 1996; $16,500 in 1998); from the Powell Foundation ($3,000 for a computer and software in spring 1997); from the Ray C. Fish Foundation ($5,000 in fall 1997); and through current federal assistance provided to the State of Texas through the Carl Perkins Vocational and Applied Technology Act of 1990 ($128,000 for specialist and tutor salaries and benefits, supplies and the Financial Assistance Program).

The Women's Bureau of the U.S. Department of Labor has recognized the Children's Homework Enrichment Program of Southwest College as an "innovative and effective program" initiated to "support working women in meeting their family responsibility." The program was recognized for "challenging businesses, non-profits, unions, and state and local governments to initiate new programs or policies that make real, positive workplace change" in the areas of "pay and benefits, balancing work and family and more respect and opportunity on the job."

CHERP is offered at two Southwest College campuses, Stafford and Alief. Strict requirements limit the types of students who qualify for the plan. **Exhibit 2-28** shows those requirements.

Exhibit 2-28
Children's Homework Enrichment Program Qualifications

A.	Must be in the Applied Science degree plan or certificate program.
B.	Must be one of the following populations: minority, disabled, single pregnant female or displaced homemaker.
D.	Must be an economically disadvantaged student and must qualify for financial aid through the college, Temporary Assistance for Needy Families (TANF) or Lone Star.
E.	Must have a documented disability per the HCCS ADA Office, be enrolled in at least six hours toward a degree plan and maintain a C average.
F.	Age: Child must be an infant through Pre-K for financial assistance or Kindergarten through grade 8 for CHERP.

Source: HCCS Childcare Programs Web site,
swc2.hccs.cc.tx.us/child/ADDITIONAL%20PAGEe.html, November 2001.

CHERP is offered Monday through Thursday evenings from 5 p.m. to 10 p.m. The Childcare manager gets complaints from academic students about restrictions on qualifications for the childcare service. At the time of the site visit, there was no plan to expand childcare services to include cash-only students. Southwest College is limited to the grants that they qualify for because they are not accredited by the National Association for the Education of Young Children (NAEYC). The only requirement for the Perkins grant is that the Texas Department of Protective and Regulatory Services license the childcare center. Many grant programs require that childcare centers be NAEYC accredited. The NAEYC is an influential organization of early childhood educators and others dedicated to improving the quality of programs for children from birth through grade 3. The accreditation improves the quality of care and education for young children in group programs.

HCCS plans to expand its childcare services at Southwest and to offer services at its other three colleges by September 2003. The system formed a childcare committee in late 2001 and met monthly through May 2002. In June 2002, the committee presented an executive summary to the chancellor's executive team. The summary objective stated that "all campuses will offer childcare services." The summary included recommendations to meet that objective. **Exhibit 2-29** shows those recommendations.

Exhibit 2-29
HCCS Childcare Committee Recommendations

Recommendations

1.	Apply as a system for the HGAC Childcare Matching Funds initiative. HCCS should identify funds to be matched by HGAC.
2.	All colleges should identify onsite space for CHERP. Minimal staffing is required, and often work-study students can be used.
3.	All colleges should provide vendoring services for workforce students who qualify. Twenty percent of the Carl Perkins allocation should be set aside. Currently all colleges offer limited vendoring services for workforce students.
4.	Childcare needs for non-workforce students should be met by offering options through grants and scholarships. Refine the availability of funds through the HCCS Foundation and expand to private sources dedicated to children's initiatives and private sponsors. Recommended sponsors: Jr. League of Houston, Houston/Harris County Bar Association, Retired Teachers Association and Federation of Women Professionals
5.	Create a community advisory committee to establish a comprehensive Day-Care Services plan - the recommended model is the Del Mar College Child Development Center. Proposed members invited to serve on this board: City of Houston, HGAC, YWCA, Catholic Charities, Episcopal Dioceses, Sul Ross Private Initiative, Initiatives for Children and Harris County Commissioners Court.
6.	Establish a network of local partners. Recommended partnerships and local agreements for training and shared facilities are: Neighborhood Centers, Inc., Texas Southern University, University of Houston, St. Thomas University, City of Houston Housing Authority, Urban League of Houston, Council of Churches and LULAC.
7.	Form a Childcare Fund-Raising Campaign Committee. Fund-raising is critical to a successful childcare plan.

Source: HCCS, Childcare Executive Summary, January 2003.

On December 6, 2002, the chancellor signed an agreement with the HGAC in which the council will match local and federal funds up to $74,968 that will be used to provide allowable childcare services in the local workforce development area.

FINDING

The Childcare managers are not included in the childcare center budget process. Managers are only asked for input about the Childcare Centers' needs in preparing the grant funding budget. They are not asked for input for determining the HCCS budget.

Successful organizations require employees who help manage departments to participate in the budget process. Budgets that have been created

through cooperation provide a much better tool for financial controls than those that have been created independently without buy-in from the groups they impact most.

Recommendation 17:

Include the Childcare managers in the budget process for the Childcare Centers.

The system can only benefit from including the Childcare managers in its budget process and delegating a portion of the decision-making to those who have to "live with" the decisions.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The assistant dean of Student Development and the Childcare managers meet to prepare the childcare center budgets.	July 2003 and Ongoing
2.	The assistant dean of Student Development submits the childcare center budgets to the college presidents for inclusion in the HCCS budget presented to the board for approval.	July 2003
3.	The assistant dean of Student Development provides the Childcare managers with copies of their board-adopted budgets.	August 2003

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 2
INSTRUCTION AND ACADEMIC SUPPORT

E. K-16 Initiatives

Recent education reforms have focused on the need for a more integrated system of primary, secondary and postsecondary education. Colleges and universities must work with public schools to help improve the quality of precollegiate education and to ensure that students who enroll in college can handle college-level work. Limiting the need for developmental education will free funds for other college and university activities. Colleges and universities train the teachers and administrators who staff the public school system; effective training of educational personnel requires close collaboration between elementary and secondary schools and higher education.

FINDING

HCCS does not coordinate its efforts in working with public school districts to meet student needs by enhancing programs that benefit both the college and the school districts. Two programs offer secondary school students the opportunity to accumulate college credit for courses they take in high school. Tech Prep education is a planned sequence of study in a technical field, beginning as early as grade 9. It continues through two years of postsecondary occupational education or an apprenticeship program of at least two years, culminating in an associate degree or a certificate. Dual credit programs give high school students the opportunity to simultaneously earn credit toward a high school diploma and a postsecondary degree or certificate. Advantages for each program are shown in **Exhibit 2-30**.

Exhibit 2-30
Advantages of Tech Prep and Dual Credit Programs
2003

Program	Advantage
Tech Prep	• Provides technical preparation in at least one field of engineering technology; applied science; mechanical, industrial, or practical art or trade; or agriculture, health or business. • Allows students to earn an associate degree or a two-year certificate. • Contributes to competence in math, science and communication.

	• Leads to employment.
Dual Credit	• Offers access to a wider variety of rigorous academic and technical courses. • Contributes to savings in time and money for a college degree. • Provides a way for students to move more "seamlessly" between secondary and postsecondary systems. • Encourages collaboration between high school and college faculty and programs. • Provides support for students' college aspirations.

Source: U.S. Department of Education Web site, Tech Prep Education and Dual Enrollment.

HCCS partners with 17 area school districts to offer courses in 25 program areas such as automotive technology, law enforcement, business management, computer science technology and several health professions. After graduation from high school, enrollment in an associate degree program and completion of 12 semester credit hours at HCCS, students can earn 12 to 15 semester credit hours for work they completed in high school. HCCS has experienced some difficulty in maintaining enrollment in Tech Prep courses. Dual credit courses allow students to earn college credit for those courses during regular school hours at their high schools. The courses may be used to complete the requirements for high school graduation and an associate's degree at HCCS. There are no tuition charges for in-district students, and out-of-district students pay reduced fees.

Some school districts in the HCCS service area-including Houston Independent School District (HISD)-do not have single points of contact for working with HCCS personnel on the Tech Prep or dual credit programs. Each HISD high school works independently with HCCS personnel to develop and implement articulation agreements. The process is cumbersome and time-consuming and often results in delays in finalizing agreements.

The dual credit program has been more successful in areas served by some colleges than in others, and in academic areas rather than with workforce courses. The fall 2002 dual credit enrollment at Northwest College was 1,056, compared with 403 at Southwest College, 175 at Northeast College, 93 at Central College and 71 at Southeast College. Some of these differences can be explained in terms of the effort made by staff at the individual colleges to inform and work with HISD staff. Northwest

College staff works closely with the "feeder" school districts in distributing information to students, parents and faculty in the district and for use by Northwest faculty. Workforce dual credit courses are not as successful, partly due to state-level funding issues. Because of conflicts in Texas law, there is less incentive for school districts to partner with colleges in shared enrollment arrangements because the districts may lose funding. HCCS staff stated that conversations with HISD personnel suggest that HISD would lose approximately $40,000 in state funding if it partnered with HCCS in an Emergency Medical Training course developed cooperatively with the Houston Fire Department. Because of this and other problems, no dual credit courses were offered at HCCS during the 2002 spring semester in workforce areas such as health science, computer science technology and law enforcement.

Some community colleges delegate responsibility for coordinating initiatives with secondary education institutions to a single office. Austin Community College assigns its Early College Start Office the responsibilities for coordinating all Tech Prep and dual credit efforts in the system.

During the past 10 to 15 years, a number of sites have received the U.S. Department of Education *Excellence in Tech Prep Award*. Sites closest in proximity to HCCS include the Mississippi County Tech Prep Consortium in Osceola, Arkansas; the Consortium to Restructure Education Through Academic and Technological Excellence (CREATE) in Oklahoma City, Oklahoma and the Center for Occupational Research and Development in Waco, Texas. A number of resources for the improvement of Tech Prep and dual credit programs are available on the Internet, including the Center for Community College Policy, which contains information on each state's dual/concurrent enrollment and the ERIC Clearinghouse for Community Colleges.

Recommendation 18:

Assign all responsibilities for program coordination and liaison efforts with school districts regarding Tech-Prep and dual credit arrangements to a single HCCS office.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The vice chancellor for Educational Development delegates all responsibilities for the coordination of Tech Prep and dual credit programs to the director of Workforce Program Initiatives.	July 2003
2.	The director of Workforce Program Initiatives gathers	July - October

	information from secondary and postsecondary institutions with recognized Tech Prep and dual credit programs and from Web sites with best-practice information and data.	2003
3.	The director of Workforce Program Initiatives submits a plan of action for the coordination of all Tech Prep and dual credit programs to the vice chancellor for Education Development for submission to the CET for approval.	November - December 2003
4.	The director of Workforce Program Initiatives communicates the approved plan to the appropriate staff and implements those portions of the approved plan with no costs or costs that can be assumed with available funds.	February 2004 - Ongoing
5.	Under the direction of the associate vice chancellor for Workforce Development, the director of Workforce Program Initiatives implements the portions of the approved plan that require additional budget allocations.	September 2004 - Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

HCCS does not coordinate efforts with area school districts to inform high school students about TASP requirements. Limited information about TASP is available on the HCCS Web site. The Web page for students contains general information about TASP and a URL for the HCCS Developmental Education Plan. The Pre-Registration Information Seminar required for all new students contains additional information about TASP, including alternative tests and exemptions. The counseling Web page states that staff is available for "advisement or referral" about services, including "assessment testing/TASP." There is no link to other information on the Web site. No information was provided to indicate any effort to communicate with secondary students about TASP.

The National Center for Developmental Education evaluation report contained 37 findings and recommendations, several of which were directed, at least in part, to public schools, including:

- a large number of high school graduates had little or no knowledge about the TASP or its purpose; few said they had been counseled about the test by high school staff;
- little effort is made at either the public school or the higher education level to develop or enhance articulation efforts regarding the TASP;

- because the poorest students are the most likely to earn low TASP test scores, they are the most likely to be placed in remediation; and
- students performed the poorest on the mathematics section of the TASP test, both on initial testing and on testing following remediation.

Generally, public school districts with the highest percent of economically disadvantaged students have the lowest percent of college-bound graduates who pass the TASP test on their first attempt, as well as the lowest Texas Assessment of Academic Skills (TAAS) TASP equivalency percent. The TAAS/TASP equivalency percent is the number of graduates who score sufficiently high on the exit-level TAAS to have a 75-percent likelihood of passing the TASP. In 2002-03, the TAAS, the state-wide assessment program was replaced by the Texas Assessment of Knowledge and Skills (TAKS).

Of the 10 largest districts in the HCCS service area, the two with the highest percent of economically disadvantaged students, Houston ISD (HISD) with 75.4 percent and North Forest ISD (NFISD) with 73.9 percent, also have the lowest percent of first-time TASP pass rates (19.9 percent for HISD and 8.3 percent for NFISD) and the lowest TAAS/TASP equivalency percentages, with 51.7 percent and 40.0 percent, respectively. Conversely, the three districts with the lowest percent of economically disadvantaged students (Deer Park, Fort Bend and Katy) have the highest percent of students who pass the TASP on the initial attempt and are among the highest in TAAS/TASP equivalency percentages. The percent of economically disadvantaged students, the percent of students who pass the TASP on the initial try and the TAAS/TASP equivalency percent for many school districts in the HCCS service area are shown in **Exhibit 2-31**.

Exhibit 2-31
Number of Graduates, Percent of Economically Disadvantaged Students,
First-Time TASP Test-Takers and TAAS/TASP Equivalency
Houston Area School Districts
Class of 2000

School District	Number of Graduates	Percent Economically Disadvantaged*	Pass Rate of First-Time TASP Test-Takers	TAAS/TASP Equivalency
Houston	7,731	75.4%	19.9%	51.7%
North Forest	586	73.9%	8.3%	40.0%

Pasadena	1,974	55.2%	30.7%	53.7%
Channelview	287	52.9%	22.7%	54.5%
Spring Branch	1,740	50.1%	27.3%	66.5%
Alief	1,690	49.7%	28.5%	49.6%
Alvin	518	44.6%	29.2%	66.3%
Deer Park	710	22.5%	44.2%	64.1%
Fort Bend	3,391	20.6%	39.4%	66.3%
Katy	1,816	10.9%	41.3%	73.9%
State	**73,821**	**49.3%**	**27.1%**	**58.5%**

Source: THEBC, Center for College Readiness, Undated.
*All students.

A similar pattern exists among area high schools that enroll the largest number of HCCS students. The high schools with the largest percent of economically disadvantaged students are among those with the lowest TAAS/TASP equivalency percentages. The high schools with the lowest percent of economically disadvantaged students are among those with the highest percent of TAAS/TASP equivalency percentages (**Exhibit 2-32**).

Exhibit 2-32
Number of Students Enrolled, Percent Economically Disadvantaged and TAAS/TASP Equivalency for 10 Largest Feeder High Schools

Feeder High School-School District	Number of Students Enrolled in HCCS*	Percent Economically Disadvantaged**	TAAS/TASP Equivalency***
Austin-Houston ISD	718	86.7%	55.1%
Milby-Houston ISD	1,089	80.6%	48.6%
Willowridge-Fort Bend ISD	646	42.9%	63.3%
Hastings-Alief ISD	726	29.2%	49.6%
Bellaire-Houston ISD	715	27.4%	78.5%
Lamar-Houston ISD	658	20.5%	72.5%

Mayde Creek-Katy ISD	675	19.0%	77.6%
Stratford-Spring Branch ISD	814	12.5%	81.6%
Katy-Katy ISD	675	10.3%	78.2%
Memorial-Spring Branch ISD	878	9.4%	94.4%

The NCDE study made two observations about students with the highest first-time pass rates. First, students with the highest first-time pass rates come from school districts that develop or participate in plans that ensure that seniors get TASP information. Second, such students have an opportunity to discuss the requirements with an informed counselor, a district staff member or a liaison from a two- or four-year college. The study also found that:

- community colleges concentrate on communicating with students about TASP after the students have arrived on campus rather than while they are in high school;
- only about 50 percent of community college programs make any concerted effort to articulate college-level requirements to local schools; and
- most efforts that are aimed at secondary students target seniors and do not include underclassmen.

The HCCS Office of Institutional Research conducted *A Self-Evaluation of the Developmental Studies Program* in November 1998. One of the findings was that HCCS serves a population of students who are particularly under-prepared for college, as evidenced by the relatively low initial TASP pass rates and low rates of exemptions on the ACT, the SAT and the TAAS.

A number of best practices were identified from the NCDE studies of the TASP and developmental education programs in Texas community colleges and universities. One best practice, strongly supported by study findings and by research and literature in the field, is that successful

developmental education programs involve "efforts to articulate college academic requirements to local high schools."

Recommendation 19:

Establish partnerships with area school districts to disseminate Texas Academic Skills Program information and materials and coordinate efforts to ensure a smooth transition for students.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The vice chancellor for Educational Development constitutes a committee of developmental education chairs; selected developmental education faculty, academic and workforce deans and HCCS counselors; and representatives of area school districts to make recommendations about the best way to communicate TASP information and materials.	July 2003
2.	The committee reviews the findings of the NCDE studies, contacts community colleges with successful developmental education programs and submits recommendations, including estimated costs, to the vice chancellor for Educational Development.	August - December 2003
3.	The vice chancellor for Educational Development reviews the recommendations with the Academic and Workforce Deans' Councils and representatives of HCCS counseling staff, and submits the recommendations with cost estimates to the CET for review and approval.	January - February 2004
4.	The vice chancellor for Educational Development implements those portions of the approved plan with no costs or with costs that can be assumed with current budgetary allocations.	March 2004
5.	The vice chancellor for Educational Development submits requests for additional funding to the CET for consideration for inclusion in the 2004-05 budget and implements those portions of the approved plan upon official approval of the budget.	March 2004 - Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 3
STUDENT SERVICES

This chapter reviews Student Services in the Houston Community College System (HCCS) in the following sections:

A. Student Services Administration
B. Enrollment Management
C. Counseling and Advising
D. Financial Aid
E. Student Organizations and Extracurricular Activities
F. Student Grievances and Grade Appeals
G. Student Records
H. Transportation

Community college student services play an important role in the development of the whole student. To enhance instruction and fulfill their broad mission, community colleges provide a variety of services to help both traditional and nontraditional students transfer to a four-year college or acquire specialized skills or training. These services usually include student recruitment, registration, academic advising, counseling, job placement, orientation and financial aid. Personal growth and development opportunities are offered through student organizations and extracurricular activities. Leadership and problem-solving skills, teamwork and cultural appreciation are some of the expected benefits of fully participating in the community college experience.

BACKGROUND

HCCS Student Services programs are designed to help students develop effective interpersonal communication skills, build self-esteem, clarify their values, make appropriate career choices, develop leadership skills, become physically fit, develop meaningful interpersonal relations, learn to work independently and collaboratively, develop social responsibility, live satisfying and productive lifestyles, appreciate aesthetic and cultural diversity and achieve their personal goals.

Student services at HCCS are regularly reviewed according to standards and guidelines published by the Council for the Advancement of Standards (CAS) in Higher Education, to which the leading professional organizations for Student Services belong.

HCCS consists of a central systems office and five colleges, each headed by a college president. Each college has multiple campuses. **Exhibit 3-1** shows the organization of system sites.

Exhibit 3-1
HCCS College and Campus Services Organization
2002-03

System Office	Central College	Northwest College	Southwest College	Northeast College	Southeast College
Administration Building	Central Campus

Hobby Airport Center/Westwood College of Aviation

Palm Center | Town and Country Center

Westgate Center | Alief Center

Gulfton Center

Missouri City Center

West Loop Center

Power Center

Stafford Campus | Automotive Technology Training Center

Northeast Campus

Northline Mall Center

Pinemont Center | Eastside Campus

Health Science Center |

Source: HCCS Web site, Maps.

The Distance Education (DE) director developed and maintains a comprehensive Web site that provides complete information on DE Student Services. The site includes sections on counseling, admissions, financial aid, online registration, degrees, transfers, average daily attendance, Texas Academic Skills Program (which assesses whether students are academically prepared for college studies) and other information. This Web site will serve as a template for development of HCCS online Student Services. DE has also developed an online early-warning system that allows DE faculty to quickly refer at-risk students to the DE counselor for intervention and improvement.

Chapter 3
STUDENT SERVICES

A. Student Services Administration

HCCS Student Services administration is decentralized, with management of most programs concentrated at the college level under the leadership of a dean of Student Services. The dean reports to the president of the college and to the associate vice chancellor for Student Services in the system office. The Student Services dean oversees one assistant dean for enrollment functions and the counseling chair who oversees counselors and advisors. The system plans to add a second Student Services assistant dean in each college in Fall 2003. Although titles and the number of personnel in each Student Services office vary among campuses, the reporting lines between the system and the colleges are generally as shown in **Exhibit 3-2**.

Exhibit 3-2
Administrative Organization of Student Services
at System and College Level
2002-03
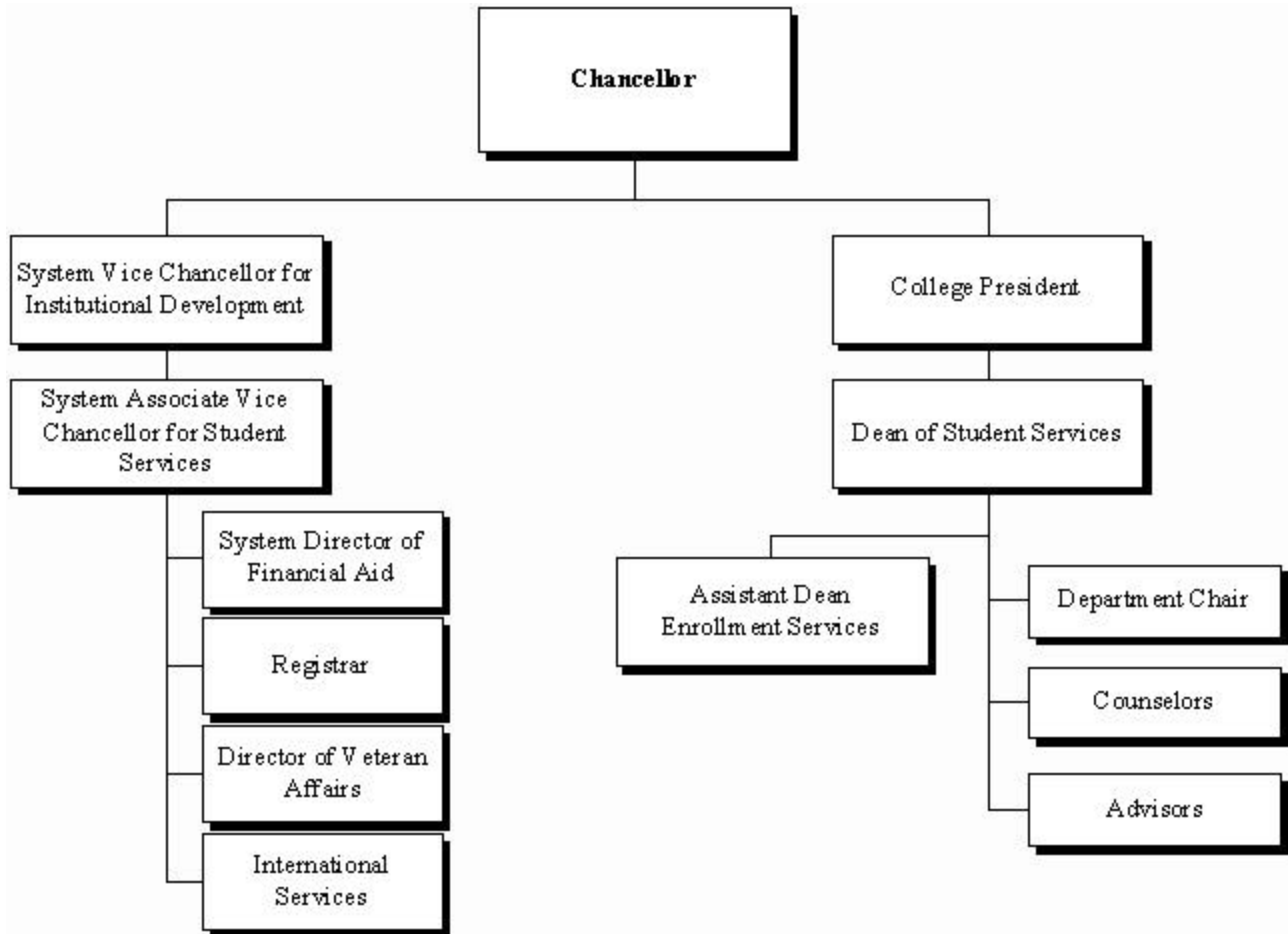
Source: HCCS, system and college Student Services organizational charts.

The vice chancellor for Institutional Development oversees all Student Services. The college dean of Student Services reports directly to the college president and the associate vice president for Student Services.

The financial aid function has centralized and decentralized components. At the system level, the director of Financial Aid oversees all financial aid programs, allocating funds to campuses and preparing compliance reports for funding agencies. An accounting aide in the bursar's office is responsible for recovering funds if students drop out or do not maintain eligibility. At the campus level, financial aid coordinators and counselors determine student eligibility, assist with applications and award various aid programs.

FINDING

HCCS does not allocate student resources equitably among the colleges. At the system office, 34 personnel are dedicated to Student Services. The budget for the system office is $2,682,938 or 26 percent of the total budget for student services of $10.6 million. **Exhibit 3-3** shows the number of Student Services employees and the budget for each college.

Exhibit 3-3
Ratio of Student Services Personnel to Student and
Per-Student Expenditures by System and College
2002-03

System/College	Student Enrollment (Headcount)*	Number Student Services Personnel***	Ratio Personnel to Student	Budget	Per-Student Expenditure
System	N/A	34	N/A	$2,765,968	N/A
Central	15,348	40	1/384	$2,682,938	$175
Northeast	11,676	28	1/417	$1,355,922	$116
Northwest	10,641	21	1/507	$917,628	$86
Southeast	8,575	25	1/343	$1,168,075	$136
Southwest	15,719	28	1/561	$1,735,335	$110
Total students and system average ratio and per-student expenditure	**54,758****	**176**	**1/385**	**$10,625,866**	**$144**

Source: HCCS, associate vice chancellor for Student Services.
*Note: Student enrollment does not include continuing education students or adult literacy and high school students.
**Note: Total Enrollment is not the sum of the colleges and the system; this number includes students enrolled in

more than one campus only one time.
***Note: The personnel figures do not include administrators, secretaries, part-time staff and grant funded positions.

As **Exhibit 3-3** shows, there are wide variances in the allocation of Student Services resources among the colleges. Student-to-staff ratios range from a low of 1:343 at Southeast to a high of 1:561 at Southwest. Two colleges, Central and Southeast, have ratios lower than the system average of 1:385, while three colleges, Northeast, Northwest and Southwest, have higher ratios. Southeast College, with a 1:343 per-student ratio, has the most staff to work with students, while Northeast, with a 1:561 per-student ratio, has the fewest. The system average per-student expenditure is $144; only one college, Central, has a lower per-student expenditure. Northwest has the lowest per-student expenditure at $86 per student.

In 2001, the Southern Association of Colleges and Schools (SACS) Reaffirmation Committee reviewed HCCS's Student Services operations and found disparities across the system in the number of staff and other resources. It recommended providing adequate human, physical and equipment resources for all HCCS Student Services offices. In August 2002, the Committee issued a report to HCCS, acknowledging receipt of its response to the Committee's recommendations. HCCS reported that staffing disparities had been addressed by the development of a new colleges standard staffing formula that would correct inequities. However, at the time of the review team's visit, the staffing formula had not been implemented.

The Austin Community College (ACC) Board of Trustees adopted a resource allocation policy (G-1 College Budget) that directs the college president to present an annual budget that abides by the following principles:

- provide adequate resources based on efficient operation of both direct and support services;
- distribute resources based on objective student enrollment and program need criteria;
- provide a justification or plan for correction of any substantial differences in the resources supplied to serve students in similar programs at different campuses; and
- be consistent with a multiyear master plan.

Such a resource allocation policy would advance HCCS efforts to address its current inequities.

Recommendation 20:

Establish a board policy that requires equitable allocation of Student Services resources across all HCCS colleges.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The policy committee of the board works with the chancellor to develop and adopt a policy that directs the equitable allocation of Student Services resources across all HCCS colleges.	July 2003
2.	The board adopts the policy and directs the chancellor to follow the policy in developing	January

		2004
	HCCS budgets.	2004
3.	The chancellor follows the policy, using all means available to move toward equitable resource allocation, including reassigning personnel, eliminating unfilled positions, redirecting funds and/or allocating new funds.	January 2004
4.	At the time of budget recommendations to the board, the chancellor reports on progress toward equitable allocation of Student Services resources; if the goal is not achieved, the chancellor presents an explanation and a plan for accomplishing the goal.	April 2004

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

Although several Student Services self-evaluations and satisfaction surveys are routinely conducted, HCCS does not use the findings to improve services. There are efforts to measure and document student satisfaction, but there is no comprehensive systemwide use of evaluation data to plan improvements to Student Services.

For example, HCCS conducts an annual student satisfaction survey through the Gulf Coast Consortium (GCC), a coalition of Texas Gulf Coast community colleges. The GCC develops and administers the student survey annually, then analyzes the data by system or college. In the Spring 2001 survey, HCCS students were asked to rate their satisfaction on a five-point scale (1 = very dissatisfied, 2 = dissatisfied, 3 = neutral, 4 = satisfied and 5 = very satisfied). **Exhibit 3-4** and **Exhibit 3-5** show the HCCS student satisfaction ratings compared with peers from other community colleges that also participated in the survey. As the exhibits show, HCCS students rated Student Services lower than students at peer colleges. The GCC reported results using gender categories and did not combine the results for men and women.

Exhibit 3-4
Average Male Satisfaction Ratings of Selected Student Services
HCCS and Other GCC Colleges
Spring 2000

Student Service	HCCS	Alvin	North Harris Montgomery	San Jacinto-Central	Other GCC Colleges Average
Admission procedures	**3.3**	3.8	3.8	3.5	3.7
On-campus registration	**3.2**	3.7	3.9	3.5	3.7
Financial aid services	**3.3**	3.6	3.7	3.5	3.6
Orientation programs	**3.3**	3.5	3.6	3.5	3.5

Availability of advisor	**3.3**	3.7	3.6	3.4	3.6
Academic advising	**3.3**	3.6	3.7	3.4	3.6
Career counseling	**3.3**	3.6	3.7	3.4	3.6
Transfer planning	**3.6**	3.9	3.8	3.3	3.7
Personal counseling	**3.3**	3.6	3.8	3.3	3.6

Source: Gulf Coast Consortium Student Perceptions of College Services, Table 4, Spring 2001 Survey.

Exhibit 3-5
Average Female Satisfaction Ratings of Selected Student Services
HCCS and Other GCC Colleges
Spring 2000

Student Service	HCCS	Alvin	North Harris Montgomery	San Jacinto-Central	Other GCC Colleges Average
Admission procedures	**3.3**	3.8	3.6	3.9	3.8
On-campus registration	**3.2**	3.7	3.8	3.7	3.7
Financial aid services	**3.4**	3.8	3.7	3.8	3.8
Orientation programs	**3.4**	3.6	3.6	3.6	3.6
Availability of advisor	**3.4**	3.7	3.6	3.8	3.7
Academic advising	**3.4**	3.8	3.6	3.9	3.8
Career counseling	**3.4**	3.7	3.6	3.8	3.7
Transfer planning	**3.7**	4.0	3.9	4.0	4.0
Personal counseling	**3.4**	3.7	3.7	3.7	3.7

Source: Gulf Coast Consortium Student Perceptions of College Services, Table 4, Spring 2001 Survey.

According to HCCS administrators, the Department of Institutional Research also analyzes GCC survey results by campus. The department then prepares an annual report. Reports of the last five years are available in the Institutional Research office. The yearly analysis from Institutional Research is disseminated through the Chancellor's Executive Team (CET) and the Presidents' Executive Teams at the college level. Although the reports are supposed to be shared with the team members' staff, some counselors and deans said they had never seen the reports. No documentation was provided to show how the data are used for modifying or improving Student Services programs.

Since 1979, the Council for the Advancement of Standards (CAS) has been preeminent in promoting standards in student affairs, Student Services and student development programs. CAS publications, including *The Book of Professional Standards in Higher Education* and *Self-Assessment Guides,* are designed to foster student learning and achievement through self-evaluation. CAS Standards and Guidelines describe the basic structure and essential elements of effective programs. Recommended procedures and strategies for using the "criterion measure" rating scales for program evaluation are described in detail in the introduction. Creating a program action plan concludes the self-assessment, and a worksheet is provided to guide development of the action plan.

Every three years the HCCS Student Services staff conducts a self-analysis using the CAS guide. The review team examined survey sheets from the last self-study in 1999 for the Academic Advising Program. Three area summary compliance scores were below 60 percent, including mission (50 percent), organization and management (59 percent) and assessment and evaluation (43 percent). The committee of counselors that produced the summary and recommendation report said that the self-assessment was a "valuable experience," but that "rater reliability was not established and a complete review of documentation was not possible due to lack of time."

All HCCS colleges make an annual Student Services report to the associate vice chancellor for Student Services, but its purpose is not to measure or achieve consistency in services. The report describes successes and identifies priority needs in Student Services. According to system administrators, the annual reports are generated to provide a cumulative review of accomplishments, services provided and number of students served by the Student Services division. System administrators use the reports to respond to agency information requests.

Recommendation 21:

Establish a system to annually use data, surveys and evaluations to improve HCCS Student Services.

Although HCCS administers student satisfaction surveys, it does not use the findings to improve services. Comparison and analysis of data will help HCCS better serve students identifying service overlaps and gaps, which help to focus resources where they will do the most good.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The vice chancellor for Institutional Development directs the assistant chancellor for Student Development to organize a task force of department Student Services representatives to review the satisfaction surveys and identify which ones are most effective in eliciting improvement information.	July 2003 and Annually Thereafter
2.	The vice chancellor for Institutional Development directs the office of Institutional Research to use the survey instrument to organize data and prepare an analysis of program strengths and weaknesses.	January 2004
3.	The task force identifies needs and priorities to improve services and makes recommendations to the assistant vice chancellor for Student Development.	January 2004

4.	The vice chancellor for Institutional Development and the assistant vice chancellor for Student Development work with the CET to incorporate recommendations into the strategic plan and budget.	April 2004

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 3
STUDENT SERVICES

B. Enrollment Management (Part 1)

In 2000, the Texas Higher Education Coordinating Board (THECB) realized that the state needed a long-range plan to increase the participation of Texans in higher education and ensure the state's work force would have the skills needed in the 21st century. Research showed that Texas lagged behind larger-population states in higher education enrollment and especially in minority student enrollment. In recent years, only 5 percent of Texas's population was enrolled in higher education, compared to 6 percent in California and Illinois, 5.7 percent in Michigan, 5.6 percent in New York and 5.4 percent nationally. THECB organized a series of meetings throughout the state with higher education, business and community leaders to develop a corrective action plan. The plan, *Closing the Gaps by 2015,* was completed in 2001.

Stakeholders agreed that the plan should be focused and concise and should include two to five measurable targets. The plan should allow creativity and adaptability while responding to state and regional needs. The goals are to increase enrollment, to increase the number of degrees and certificates awarded, to increase the number of nationally recognized programs or services at higher education institutions and to raise the level of federal science and engineering research funding.

Exhibit 3-6 shows target percentages by ethnicity and the number of additional students required to reach each statewide goal. THECB estimates that HCCS will account for almost 9.4 percent of Texas community and technical college enrollment by 2015.

Exhibit 3-6
Closing the Gaps by 2015 Target Higher Education Participation Rates
African-American, Hispanic and Anglo Populations

Ethnicity	2000 Statewide Participation Rate	Target by 2005		Target by 2010		Target by 2015	
		Rate	Increase	Rate	Increase	Rate	Increase
African-American	4.6%	5.1%	22,200	5.4%	15,000	5.7%	19,300
Hispanic	3.7%	4.4%	101,600	5.1%	120,000	5.7%	120,000

Anglo	5.1%	5.2%	24,100	5.4%	35,000	5.7%	35,000
Total	**5%**		**147,900**		**170,000**		**174,300**

Source: THECB, Closing the Gaps by 2015.

The plan provides guidance, but institutions are encouraged to develop individualized strategies. Although all Texas higher-education institutions will have a role in educating students, estimates show that 60 percent, or 300,000, of these students will begin at community and technical colleges.

Enrollment at HCCS has increased slightly since 1996, as illustrated in **Exhibit 3-7**. While total fall enrollment has increased by 4.6 percent since 1996, first-time enrollees represent a slightly smaller percentage of fall enrollees than in 1996, down from 15.6 percent to 14.9 percent.

Exhibit 3-7
HCCS Total Enrollment and First-Time Enrollment
1996 through 2001
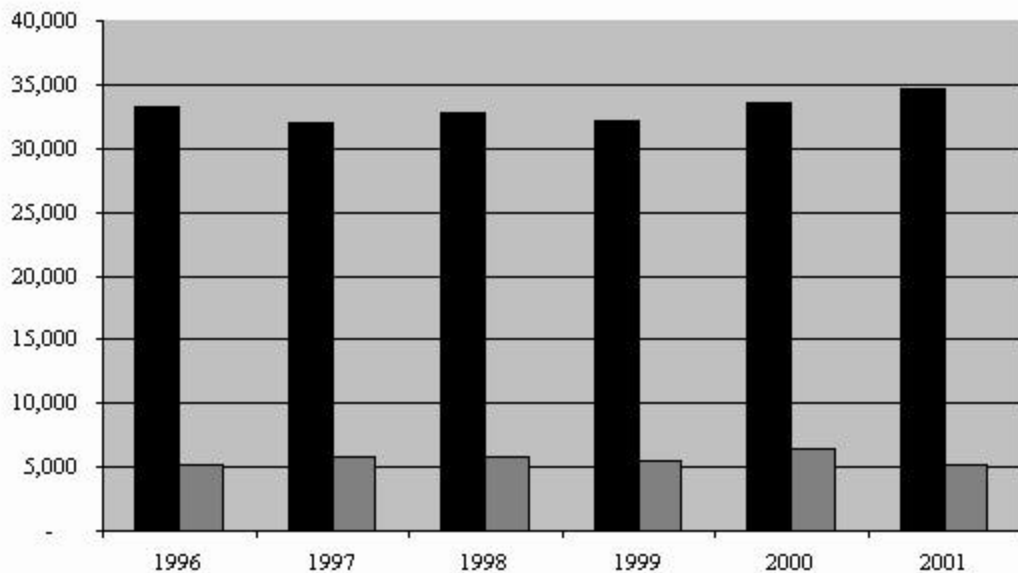
Source: HCCS, 2001-02 Fact Book for first-time enrollment and THECB Statistical Reports for total enrollment, Fall 1996 through Fall 2001.
Note: Total Enrollment does not include continuing education students.

In fall 2001, HCCS had 13,956 male students and 20,758 female students, a total of 34,714 students enrolled in courses for credit in academic or workforce programs. Anglo students were the largest percentage of the population at 28 percent. Hispanics were the second-largest group at 25

percent, and African-Americans ranked third at 23 percent. Other ethnic groups including Asian, American Indian and various international students totaled 24 percent, with international students representing 10 percent of the HCCS student population. The ethnic makeup of HCCS is shown in **Exhibit 3-8**, and the ethnic makeup of HCCS and its peers is shown in **Exhibit 3-9**.

Exhibit 3-8
HCCS Students Enrolled in Courses for Credit by Ethnicity
Fall 2001
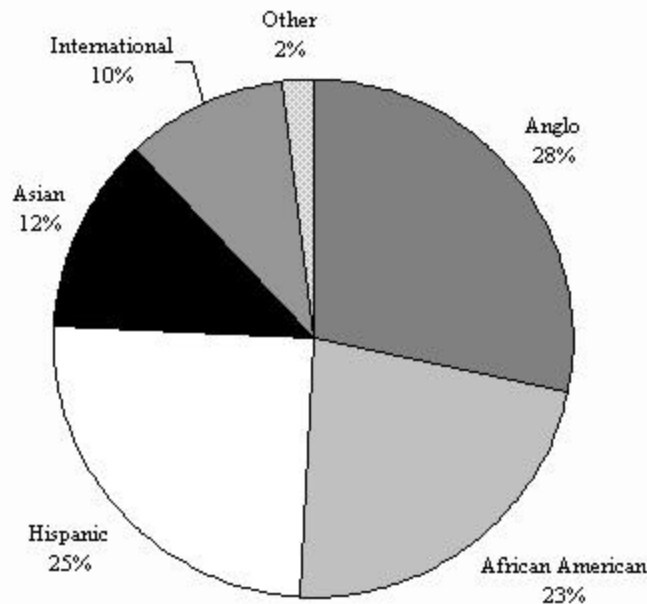
Source: THECB, Statistical Report, Fall 2001.

Exhibit 3-9
Demographic Characteristics of Students Enrolled for Credit
HCCS, Peer Colleges and the State
Fall 2001

Community College District	Student Enrollment	Percent Hispanic	Percent African-American	Percent Anglo	Percent Other
Alamo	42,044	52.0%	7.0%	37.5%	3.5%
Austin	27,577	21.2%	6.6%	62.2%	10.1%
Dallas	50,191	18.6%	20.7%	44.0%	16.7%

HCCS	**34,714**	**25.0%**	**22.5%**	**28.4%**	**24.0%**
North Harris Montgomery	29,386	15.5%	10.5%	65.2%	8.9%
State	478,313	29.0%	11.0%	52.0%	8.0%

Source: THECB, Statistical Report, Fall 2001.

For 1997 through 2001, the largest percentage increases in credit course enrollment were among Hispanic and African-American students. Hispanic enrollment at HCCS increased from 7,285 in fall 1997 to 8,690 in fall 2001, a 19.3-percent increase. African-American enrollment rose from 7,137 to 7,810 in 2001, a 9.4 percent increase. **Exhibit 3-10** shows 1997 through 2001 enrollment growth by ethnic origin.

Exhibit 3-10
HCCS Growth in Students Taking Credit Courses by Ethnic Origin
Fall 1997 through Fall 2001

Ethnicity	1997	1998	1999	2000	2001	Percent Change 1997 - 2001
Anglo	11,585	11,372	10,389	10,098	9,866	-14.8%
African American	7,137	7,289	7,300	7,544	7,810	9.4%
Hispanic	7,285	7,526	7,872	8,420	8,690	19.3%
Asian American	4,265	4,568	4,386	4,172	4,188	-1.8%
American Indian or Alaskan Native	83	96	83	87	82	-1.2%
Non-resident Aliens or Foreign Nationals	1,571	1,944	2,029	2,882	3,451	119.7%
Not Reported			75	306	627	N/A
Total	**31,926**	**32,795**	**32,134**	**33,509**	**34,714**	**8.7%**

Source: THECB, Statistical Report, 1997-98 through 2001.

Over the last five years, the number of international students at HCCS has increased from 1,571 in 1997 to 3,451 in fall 2002; more than 120 countries are represented at HCCS. As shown in **Exhibit 3-11**, international student enrollment rose steadily from 1998 to 2001, but stayed the same in 2002, attributable largely to new restrictions imposed after the September 11, 2001, terrorist attacks.

Exhibit 3-11
HCCS International Student Enrollment
1998-99 through 2001-02
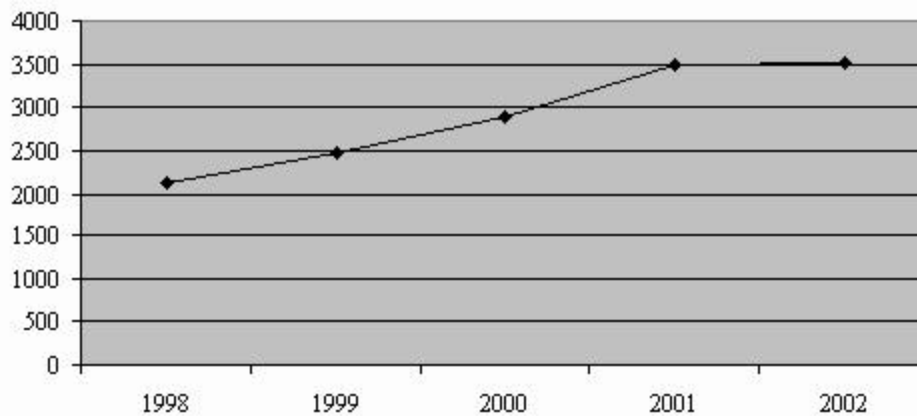
Source: HCCS, Admissions Office.

The increase in international students from 1998-99 through 2000-01 was between 16 percent and 20 percent, compared to less than 1 percent between Fall 2001 and Fall 2002.

Recruitment and Retention

HCCS is working to attract, enroll and retain students in proportion to the general population of the HCCS service area in accordance with the *Uniform Recruitment and Retention Strategy* set forth by THECB. The *Uniform Recruitment and Retention Strategy* was approved in April 2000 with the goal of ensuring that higher education enrollment and graduation mirror Texas population. It states that the goal of each community and technical college should be to reflect the population of its service area.

Metropolitan Houston is changing dramatically. From 1990 to 2000, the Houston population increased by 15.1 percent, from almost 1.7 million to more than 2 million. Houston is increasingly diverse; Hispanics now constitute the majority with 37.4 percent, Anglos with 30.8 percent, African Americans with 25.3 percent, Asians with 5.3 percent and others with 1.2 percent of the population. According to June 2000 Texas State Data Center projections, metropolitan Houston will continue to increase its numbers and diversity through 2015. By 2015, the service area of HCCS is projected to grow from slightly below 1.9 million to more than 2.7 million. By 2015 the adult proportion of ethnic groups will be 41.2 percent Hispanic or Latino, 26.4 percent Anglo, 20 percent African American, 10.1 percent Asian/Pacific Islander and 2.3 percent other ethnicities.

Because of these projections and the mandate to increase recruitment and retention of new students, HCCS has developed recruitment and retention goals. Recruitment of prospective students is conducted almost exclusively in the Houston area, except for international students. Recruiters visit feeder high schools and middle schools in the areas around their colleges, attend job and college fairs throughout the city, hold special events at the colleges, visit General Education Development (GED) centers to follow up with students who pass the GED exam and maintain relationships with area churches and employers. At these events, recruiters distribute materials to prospective students explaining entrance requirements, available programs and degree plans and the characteristics of HCCS. Recruiters also work hard to inform prospective students about the testing process and grants or scholarships for which they might be eligible.

HCCS has three full-time staff members who recruit and work with international students to ensure that they have the proper documentation to enter HCCS and to monitor their progress to make sure they are enrolled on a full-time basis. If an international student falls below 12 hours, HCCS staff contacts the student to explain the consequences and to work with the student to comply. HCCS has advisors at each college to support international students after their arrival.

FINDING

HCCS has a well-documented and updated plan for recruiting and retaining students. Section 61.086 of the Texas Education Code requires community colleges to implement a uniform strategy to identify, attract, retain and enroll students who reflect the population of the state. In September 2001, the chancellor of HCCS appointed the HCCS Recruitment and Retention Committee to do four things:

- develop a data-driven enrollment management plan for HCCS that incorporates systemwide initiatives and actions to improve college diversity and enhance services to under-represented populations;
- identify appropriate resources for implementation of the plan;
- describe how needs will be assessed and the plan evaluated and updated; and
- help prepare the first HCCS annual report on recruitment and retention.

The vice chancellor and the associate vice chancellor for Educational Development worked with the committee to execute the chancellor's directives. The committee was co-chaired by the dean of Student Development at the Southeast College and the dean of Enrollment Services at the Southwest College. In December 2000, the committee met

with HCCS Academic, Workforce and Student Services deans to develop a plan outline. During Spring 2001, the committee sought input from faculty, students and staff members. In July 2001, the plan was presented to the board and approved.

In 2002-03, under the direction of the associate vice chancellor for Student Services, the committee assessed the 2001-02 plan to determine if the goals had been met and to adjust the plan for the coming year. The committee decided that the 2001-02 evaluation measures had worked well and decided to fund the efforts that produced the best results. The committee developed additional materials for 2002-03, including a new budget that reflects available funds and their intended use for the year.

The 2002-03 plan calls for creating a new executive director of Enrollment Management position in Student Services to develop recruiting and retention plans, to allocate funds to the colleges as needed and to chair the newly formed Council of College Recruiters. Composed of recruiters from each college, the Council of College Recruiters tries to improve communication among recruiters, the colleges and the system office, and to share ideas and coordinate activities among the colleges.

COMMENDATION

Supported by organizational change, HCCS recruitment and retention plans and strategies are well documented and are updated annually by a standing committee.

FINDING

College recruiters use information cards to track recruiting efforts. The cards are given to potential HCCS students at recruiting events. The information includes date, social security number, name, address, telephone number, high school, graduation date, college(s) attended and dates of attendance and career or HCCS program of interest. Checkboxes indicate whether the student passed all sections of the Texas Assessment of Academic Skills (TAAS). Information is stored in a database, and the student is placed on a mailing list for promotional and informational materials for the college. The database has no report function to allow the user to generate customized reports. HCCS is working on this function, and it is expected to be complete by the summer of 2003.

Recruiters send follow-up letters to students who submit information cards. The letters mention the variety of HCCS degree and certificate programs, tout "low tuition costs, excellent instructors and conveniently located instructional sites" and list the recruiter's name and telephone number.

COMMENDATION

HCCS recruiters document participation at recruiting events with information cards and follow up with prospective students to provide additional information and to encourage them to enroll at HCCS.

FINDING

At every college, emphasis is placed on the recruitment of Hispanic and African-American students. Assisted by high school counselors, recruiters seek out these individuals and offer information on grants, scholarships and financial aid. HCCS has developed strategies to increase the participation of minority students. As outlined in the *Recruitment and Retention Plan*, the strategies are guided by four themes:

- an emphasis on "Learner Service" by all faculty, staff and administrators, through the appointment of a Learner Service Committee comprising students, faculty, staff, administrators and community members;
- aggressive marketing and outreach to those currently underserved about the necessity, advantages and opportunities in higher education;
- partnerships with public schools, universities, busine ss and industry and community agencies to leverage resources and energy toward the common goals of increased participation and success by Houston students in higher education; and
- intensified search for more grants, contributions and volunteers to help increase participation and success for Houston students in higher education.

HCCS holds special events and activities that target Hispanic and African-American students, such as Fiesta Friday to celebrate Cinco de Mayo, the Houston Minority Youth Business Retreat, Admission X-plosion, Financial Aid Awareness Week and Texas Scholars Week. From 1997 to 2001, enrollment of African Americans and Hispanics increased, while enrollment of Anglos, Asian Americans and American Indians/Alaskan Natives decreased.

COMMENDATION

HCCS has developed specific strategies that target Hispanic and African-American students and has increased participation of these groups over the last four years.

FINDING

In accordance with *Closing the Gaps by 2015* and the *Uniform Recruitment and Retention Strategy* set forth by THECB, HCCS has established the enrollment goals shown in **Exhibit 3-12**.

Exhibit 3-12
HCCS Recruitment and Retention Goals
1999 through 2015

	Fall 1999 Students*	Fall 1999 Percent of Total	Fall 2015 Students Needed	Fall 2015 Percent of Total Needed	Change in Numbers from 1999 to 2015	Percent Change from 1999 to 2000
Total Headcount	32,134	100%	61,619	100%	29,485	91.8%
International	2,024	6.3%	3,882	6.3%	1,858	91.8%
White	10,379	32.3%	15,012	24.4%	4,633	44.6%
African-American	7,294	22.7%	11,547	18.7%	4,253	58.3%
Hispanic	7,873	24.5%	23,672	38.4%	15,799	200.7%
Asian/Pacific Islander/Other	4,534	14.1%	6,928	11.2%	2,394	52.8%

Source: HCCS, Recruitment and Retention Plan for HCCS Student Services Office.
*Totals may not add to 100 percent due to rounding.

The figures shown in **Exhibit 3-12** were based on the *Closing the Gaps* goal of increasing enrollment in community and technical colleges by 300,000 students by 2015 and on the projected share of state enrollment for HCCS. HCCS enrollment currently represents 7.4 percent of the state's total community and technical college enrollment. According to THECB projections, it is expected to represent 9.4 percent of the state total by 2015. Target enrollment figures for HCCS are based on projected ethnic proportions of the HCCS service area made by the Texas State Data Center.

Chapter 3
STUDENT SERVICES

B. Enrollment Management (Part 2)

Overall, HCCS will have to add almost 30,000 students between 1999 and 2015 to meet the goals of *Closing the Gaps,* which translates into an overall growth rate of 91.7 percent. On a yearly basis, HCCS must grow by an average of 4.4 percent. To achieve the goal of having a student body that represents its service area, HCCS must add 15,799 Hispanic students, a growth of more than 200 percent. HCCS must also increase African American and Anglo enrollment by 58.3 percent and 44.6 percent, respectively.

HCCS plans and strategies to reach these goals are documented in its 2001-02 *Recruitment and Retention Plan*. **Exhibit 3-13** outlines the programs that are currently in place at HCCS to recruit and retain students.

Exhibit 3-13
HCCS Recruitment and Retention Programs
2002-03

Program	College	Purpose	Funding Source
Children's Homework Enrichment Program (CHERP)	Southwest	Provide a quiet, secure place for homework enrichment for school-aged children while their parents attend evening classes at HCCS and to provide limited infant and toddler care at a nearby licensed childcare facility.	Perkins (federal grant), private donations
Child and Family Center	Central	Provide childcare for students who attend college classes. Also available to faculty, staff and community.	Perkins, and various sources
International/ Intercultural Services	Central	Peer tutoring, sociocultural activities, translator/interpreter services, study abroad assistance, student visa information.Refugee Services: language training and vocational skill training	Texas Education Agency

		employment services to 200 clients per year from more than 15 different countries.	
Project Network 2000	Central	Technical training jobs to new and dislocated workers that will help students start productive careers as network cabling specialists.	U.S. Department of Labor
Various	Various	Curriculum Evaluation and/or Enhancement Government, Biology Science Lab for Middle School/Jr. High School Faculty Integrating Tech. Skills/Academic Courses Staff Training/Special Populations Learning Styles Teacher Quality Enhancement	U.S. Department of DefenseTHECBU.S. Department of Education
Upward Bound	Central and Southeast	Encourage high school students with an aptitude for a career that demands post-secondary education, whose inadequate high school preparation prevents them from meeting conventional requirements for admissions to college or university. Offers counseling, tutoring, cultural activities, financial aid, academic instruction, career development and college admissions	U.S. Department of Education
Student Support Services Program	Central	The TRIO program is designed for low-income and first-generation college students pursuing Associate in Arts and Associate in Science degrees. TRIO includes advising, field trips, tutoring, workshops and leadership training	U.S. Department of Education
Youthbuild	Northeast	Offers job skills training, career counseling and leadership development to	U.S. Department. of Housing and Urban Department

		young adults through rehabilitation and construction of affordable housing in the community.	
Institute for Excellence	Southeast	Address needs of those qualifying under Welfare-to-Work, Temporary Assistance for Needy Families (TANF) and other special populations under the Workforce Investment Act.	Various (Houston Works and TWC)
eCenter	Southeast	To train 200 Houston CTI/IDA participants in financial literacy, home ownership, information technology and entrepreneurship.Provides funding for online financial literacy and home owners training, a home tour of affordable housing, internship stipends and an IT survey of small and medium- sized EEC zone businesses	U.S. Department of Housing and Urban Development (HSIAC)
NASA Challenge	Northwest	Recruit and retain 100 underrepresented students in an Associate in Science program; develop coordinated learning-centered science curriculum and meet articulation agreements; provide four professional development workshops to train math and science faculty in how to teach this particular student population.	NASA
Teacher Training Retention Academy	Central	Recruit, educate and transfer high school students interested in becoming bilingual teachers.	Texas Education Agency
World Dance Project	Central	Train elementary school teachers in using dance as a tool to teach history, literature, geography and folklore.	Cultural Arts Council

Title V	HCCS	Infuse Technology in Instruction and Student Services	U.S. Department of Education

Source: HCCS Student Services.

In addition to the above programs, a new effort, the Student Success Model, is being implemented. The Student Success Model began as an idea during a Chancellor's Executive Team retreat. The team thought student enrollment and retention could markedly improve if strong student support mechanisms existed. They believed that continuous engagement inside and outside the classroom, as well as rewards and incentives for performance, would be the most effective means of retaining students. The team formed a committee to research best practices and conduct literature research on student retention. The result was the development and formation of the Student Success Model. The objective was to create a program that would apply all of HCCS' resources, talents and energy from the academic and Student Services communities to deliver a holistic college experience to students.

Implementation of the Student Success Model will occur in four stages. The model was piloted at Central College in spring 2002 and at all five colleges in fall 2002. Revision and implementation will take place in spring 2003 and full implementation at nine centers is planned for fall 2003. More than $1.7 million has been designated to implement the Student Success Model.

The purpose of the Student Success Model is to offer comprehensive support services that enhance student learning and achievement. The model recognizes that student learning and achievement are the cooperative responsibility of faculty, staff, administration, trustees, community members and students, before students enter HCCS and until students reached their final goals at HCCS. It is based on 11 core principles, listed in **Exhibit 3-14**.

Exhibit 3-14
Core Principles of HCCS' Student Success Model
2002-03

Core Principle	Description
Choice	The program helps students identify their career interests through career counseling, mentoring and assessment tests.
Student Responsibility	Students actively participate in the Student Success Model program.

Institutional Responsibility	The college must be proactive in guiding students in their choices and providing resources they need to be successful.
Student Engagement	The model includes opportunities to increase student engagement.
Goal Orientation	There is an emphasis on setting and achieving goals.
Rewards	Short-term rewards are milestones, certificates and positive reinforcement.
Team	Each student is a member of a Success Team of trained staff who offer support and serve as mentors. The team of four to five people includes instructors, counselors, students and staff.
Removal of Barriers and Integration of Services	The mentor nature of the Success Team helps students to find out about HCCS services such as transcripts, registration, tutoring and other services to ensure a successful college experience.
Orientation	Each student undergoes appropriate orientation, ranging from a brief in-person meeting or online session to a three-hour course. Pre-Registration Information Seminar (PRIS) is an overview of college prior to registration. 0303 is a study course for students who failed two or more TASP test sections. 0101 is for students who failed only one section of the TASP test.
The First Semester	The Success Team actively assists and intervenes during the student's HCCS academic career, beginning with the first semester.
Transition	At the completion of every reward point, the college will help the student's transition to the next level, inside or outside HCCS.

Source: Student Success Model literature and interviews with HCCS staff.

As part of the Student Success Model initiative, Success Centers will be established at each college. The Student Success Center is the core of the model and will be the entry point for new students. It will handle model logistics and implementation in a cooperative effort that involves instructional and Student Services staff. Success Centers will:

- provide information to new and prospective students;
- identify and manage Success Teams of trained staff assigned to each student to provide support for success, especially in the first semester;

- coordinate orientations and Success Seminars to inform students of HCCS policies and prepare them to be successful at HCCS;
- coordinate advising;
- use the Early Warning System to alert students of performance problems and inform them on additional guidance and resources such as tutoring, mentoring, advising, learning labs and additional skills development;
- plan and guide student activities, involvement and leadership;
- maintain tutoring schedules;
- provide career counseling; and
- refer students to social service, childcare, legal help, transportation and healthcare.

COMMENDATION

HCCS establishes systemwide goals and strategies to retain students and develops innovative programs, such as the Student Success Model to support its retention goals.

FINDING

First-time student retention rates have increased since 1995-96. **Exhibit 3-15** shows the percentage of first-time students who returned the following spring and fall, from 1995-96 through 2000-01.

Exhibit 3-15
HCCS Retention Rates: 1996-97 through 2000-01
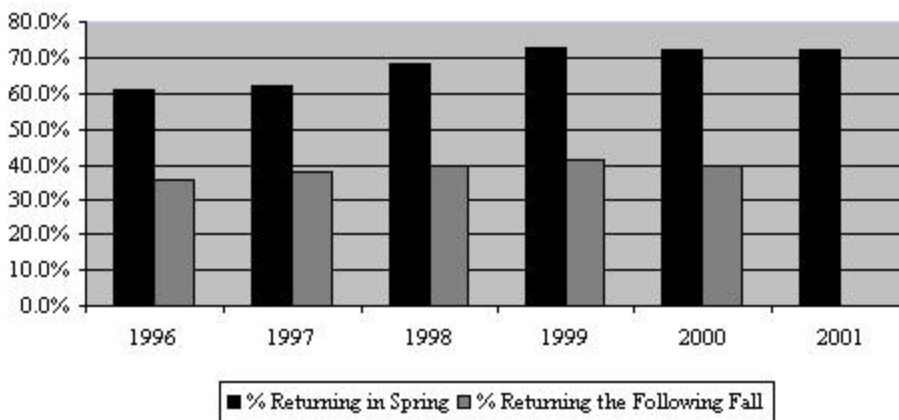
Source: HCCS, Fact Book, 2001-02.

The percentage of first-time students in the fall semester who returned in the spring increased from 60.9 percent in 1996-97 to 72.0 percent in 2001-02, which makes HCCS among the most successful of its peers in fall-to-spring retention rates of first-time students. The percentage of first-time

students who returned the following fall was 35.9 percent in 1996-97 and increased to 40.0 percent in 2001-02, indicating that HCCS is doing a better job in retaining students than it did six years ago.

COMMENDATION

HCCS has improved student retention rates for first-time students who return in fall and spring.

Admissions and Registrations Processes

The admissions process at HCCS is straightforward because HCCS has an open enrollment policy, which means that it accepts all applicants who will benefit from its programs, regardless of level of education or previous test scores. Applicants who do not meet the Texas Academic Skills Program (TASP) criteria are assessed using a state-approved test and placed in a program to help them move toward their educational or work goals. TASP is an instructional program that ensures students have the academic skills necessary to undertake college-level work. The only exceptions to the policy are for disciplinary problems. There are several ways to apply to HCCS, including by Internet or in the college computer lab, and by mail or fax. The HCCS Web site, the application and other materials provided on acceptance explain the next steps and which students must come to the college in person to register.

HCCS registration is largely automated, but students can also enroll in person. Most students are eligible to register for courses online, but some students must be evaluated in person. These students include those who need to have their courses approved by a counselor, first-time students and those who did attend HCCS during the previous year. Online registration typically opens two months before classes begin; campus registration occurs during the three weeks before classes begin.

FINDING

HCCS course payment policies support effective planning and scheduling. Once a student registers for classes, payment must be submitted by that Friday at 4 p.m., or by 5 p.m. that Saturday if the student pays online. Otherwise, the courses are purged from the system and the student must reregister. Students who register for 16-week courses are allowed to pay half of their tuition and fees, plus a $25 contract fee by the end of the week in which they register for classes. The remainder of the balance is divided into two equal payments with deadlines designated in the student's contract. A fee of $10 is charged for late payments. In accordance with THECB guidelines, this plan is available only for 16-week courses, not for 15-week courses or for summer school courses.

There is a $15 add/drop fee to change the schedule. If a student drops a course before the first day of class, the student is eligible for a refund; if a student drops after classes begin, the refund is reduced depending on course length and how long the students waits to drop. In accordance with THECB rules for regular 16-week courses, a 70-percent refund is given if the course is dropped during the first 15 days of class, a 25-percent refund for the 16th through the 20th class days and no refund after 20 days. Similar refunds are available for other course types, and deadlines vary by course length.

The table in **Exhibit 3-16** compares HCCS registration fees to those charged by its peers.

Exhibit 3-16
Fees
HCCS and Peer Colleges
2002-03

Type of Fee	HCCS	Austin	North Harris Montgomery	Dallas	Alamo
Registration	**$0**	$0	$12	$0	$10
Add/Drop	**$15**	$0	$0	$0	$4*
Returned Check	**$20**	$25	$25	$20	$10
Installment Plan	**$25**	$10	$20	$15	$25
Late Installment Payment	**$10**	$0	$25	$10	$10

Source: HCCS and peer college Web sites.
* No fee is charged if schedule change is done via the Internet or telephone.

HCCS and Alamo Community College District (ACCD) charge a fee for adds or drops after the first day of class in addition to reducing the refund amount. ACCD waives the fee if the change is made on the Web or by phone. HCCS students pay more to start an installment plan than the peers, but HCCS charges less for late installment plan payments than all of the peers (ACCD has identical fees).

COMMENDATION

Requiring students to pay for courses by the end of the week in which they register and charging fees for schedule changes after the first day of class allow HCCS to maintain more accurate seat counts and better manage course scheduling.

FINDING

In recent years, HCCS decentralized foreign student admission functions such as distributing I-20 or M-20 forms, maintaining student files, filing paperwork for changes of status and reinstating current students. This has caused inconsistency and a lack of accountability just as new Immigration and Naturalization Services (INS) requirements call for more accountability in processing and monitoring foreign students. Problems caused by decentralizing these functions include misplaced paperwork, slow processing and too few trained staff and Designated School Officials (DSOs). HCCS has only three DSOs to service all campuses. Their schedules vary widely, so it is often difficult for students to have on-campus access to them. Staff for international student issues often have other responsibilities that detract from those support services.

Campus staff with admissions functions that relate to international students do not report to the director of Admissions at the system office. Because participation in training and international student council meetings is voluntary, it is difficult to maintain system-level accountability.

After the 9/11 terrorist attacks, the INS tightened restrictions under the Student and Exchange Visitor Program (SEVP). International students are now required to:

- maintain full-time status;
- report to HCCS no later than 30 days after arrival in the United States;
- report a change of address to HCCS and INS within 10 days after moving;
- report to the DSO before transferring to another college;
- report to the DSO before leaving the country;
- report to the DSO before dropping courses; and
- report to the DSO for employment procedures.

SEVP requires colleges and universities that accept foreign students to report student information to the INS under the Student and Exchange Visitor Information System (SEVIS), the reengineered student and exchange visitor process designed to convert the manual process to an automated one that will collect, maintain and track information on international students and exchange visitors, improve data collection and reporting, facilitate compliance with regulations, monitor school and exchange programs and provide better customer service to international students. HCCS was required to comply with the SEVIS program by February 15, 2003, to meet SEVP requirements.

Under its certification program, the INS allows HCCS to issue an INS form I-20 or M-20, the certificate of eligibility for nonimmigrant student status that verifies that an application for enrollment was accepted by the academic institution to which the student applied. The U.S. government requires the I-20 or M-20 for student visas. Failure to comply with SEVP requirements could cause HCCS to lose its certification to accept international students. The annual impact of losing 2,600 international students would be $8.6 million in tuition alone and current international students would be forced to find another college to attend or face deportation.

HCCS met the February 15, 2003, deadline for compliance with SEVIS guidelines and has centralized the maintenance of certain student records, but many operational functions that deal with foreign students remain decentralized. Some paperwork is still processed or collected at the campuses and forwarded to the system office to be included in the students' files, and many of the advising and support services for international students are provided by advisors or clerical staff at the colleges.

HCCS' approach to decentralization differs from that of similar community college systems, such as San Francisco Community College and North Virginia Community College, with a central office that handles transactions and support services that relate to international students.

Recommendation 22:

Consolidate and centralize international Student Services.

Centralizing functions for international students will improve accountability at the system level by creating a reporting relationship between the director of Admissions and staff responsible for dealing with international student admission. It will improve communication and make it easier to conduct training. Centralizing all international student processing will reduce the paperwork that must be transferred from campuses to the system office, minimize loss of forms and improve processing time. Creating a central office will allow HCCS to offer extended office hours with consistent access to DSOs and provide a one-stop location for international students.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The vice chancellor for Institutional Development directs the director of Admissions to develop a detailed proposal for centralizing admission functions relating to international students and create the International Student Services Office.	July 2003

2.	The director of Admissions develops a detailed proposal, including an organizational structure, job descriptions, high-level processes and procedures for the new office, a timeline and detailed plans for transferring staff from the campuses to the system office.	July 2003
3.	The vice chancellor for Institutional Development reviews the proposal and works with the director of Admissions to finalize a centralization plan.	August 2003
4.	The vice chancellor for Institutional Development communicates the relevant portions of the plan to the presidents of the colleges.	September 2003
5.	The director of Admissions implements the plan and oversees the transfer of staff from the colleges to the system office.	October 2003
6.	The director of Admissions provides training on policies, procedures and requirements to all staff in the International Student Services Office.	Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 3
STUDENT SERVICES

C. Counseling and Advising

Counseling and advising are critical to student success. Counselors and advisors offer educational, vocational and personal counseling to enrolled or prospective students, including interest assessment, course placement testing, career/life planning, computer-assisted career guidance programs, admissions and registration assistance, GED and Challenge exams and transfer and four-year college information. Counselors and advisors link referred students to on-campus special services and ensure students know what is available. They clarify institutional policies, procedures and requirements in the student handbook and catalog and act as liaisons between students and instructors.

HCCS employs 70 counselors and advisors to help students achieve educational goals, such as transferring to a four-year university, obtaining an associate degree, professional certificates or acquiring or improving work-related skills. A counselor or advisor is available at all sites. Processes and procedures for working with student advising are relatively uniform across all colleges. These processes are guided by Student Services advising manuals, administrative policy and procedure manuals, the transfer guide, the student handbooks, catalogs and bulletins.

Counselors and/or advisors are located at all campuses so HCCS students can obtain information from advisors or referrals to these services:

• Academic advising/degree plans • Depression screening • Dual enrollment • Transfer information/course equivalencies • Scholarships/financial services • Disability resources • Transition workforce/technology preparation • Career/vocational planning • Transcript evaluation	• Job placement/coop education/internships • International student advisement • Multicultural services/student activities • Reentry services/childcare • Mentors/tutors/study skills/stress management • Assessment testing/TASP • Health and drug problems/personal counseling • Orientation issues

HCCS counselors must have master's degrees and are paid more than advisors, who must have only a bachelor's degree. Some HCCS counselors have doctorates and/or professional counselor's licenses.

FINDING

Too few counselors and advisors are available to advise students on how to achieve their educational goals. Student surveys and focus groups revealed inadequate academic advising. Students enroll in the wrong classes, misunderstand prerequisites, incur delays in completing degree programs and lack information about tutoring and support services or transferring to four-year institutions.

Student responses to Texas School Performance Review (TSPR) surveys are shown in **Exhibits 3-17** and **3-18**. In Fall 2002, a random sample of HCCS students was asked whether Student Services were outstanding, adequate, needed some improvement or needed major improvement. Fewer than 50 percent of students, faculty, staff and administrators found academic counseling/advising and transfer programs to be outstanding or adequate.

Exhibit 3-17
HCCS Students
Perceptions of Selected Counseling Services
Fall 2002

Service	Outstanding/ Adequate	Need Some or Major Improvements	Neutral/Don't Know
Academic Counseling and Advising	48.8%	34.4%	16.8%
Instruction Transfer Programs	34.0%	19.6%	46.5%

Source: TSPR student survey results.

Exhibit 3-18
HCCS Faculty, Staff and Administrator
Perceptions of Selected Counseling Services
Fall 2002

Service	Outstanding/ Adequate	Need Some or Major Improvements	Neutral/ Don't Know
Academic Counseling and Advising	34.8%	42.4%	22.8%
Instruction Transfer Programs	39.9%	20.2%	39.8%

On reason for this is the shortage of advising services. The HCCS advising load is about 1,200 students per advisor or counselor. HCCS employs twice as many counselors as academic advisors. Although counselors see their primary role as providing personal and career guidance, they actually spend about 65 percent of their time on academic advising, including working with students on degree plans, class selection, state requirements and the TASP. About 10-15 percent is spent helping students identify career options. The remaining time is spent providing minimum-level personal counseling for financial, social or emotional stress, most commonly in response to a crisis.

TSPR survey feedback indicates that advising on career and transfer programs and getting into the right class to advance those goals are the primary student needs. Almost all the frustration expressed by students centered on not having advisement on career training, the subjects necessary to complete a degree plan or the classes available to meet articulation requirements for four-year institutions.

There is some overlap of advisor and counselor roles. Advisors help students to develop meaningful educational plans that are compatible with their life goals. The ultimate responsibility for making those decisions rests with the individual student, but the academic advisor helps students to identify and assess alternatives and consequences. Counselors provide individual or group counseling to students with psychological or behavioral problems, programs that focus on student development needs, psychological testing, crisis intervention and emergency coverage for mental health resources and staff and faculty professional development.

Counselors are hired as "non-teaching" faculty, which results in confusion about workload and release time. Advisors teach modules in the Student Success Orientation as part of their workload, but counselors who teach orientation modules sometimes get overtime or release time "for preparation."

ACC advisors and counselors help students register for courses, check TASP status and provide guidance about educational plans. Counselors help students who failed part of the TASP test, who need career counseling or who are on academic probation, suspension or dismissal. They contribute significantly to ACC retention efforts by working with undecided students. An administrative rule limits the amount of time counselors may deal with personal and emotional programs, and it tells counselors to refer students to local health services outside ACC. Like HCCS, ACC advisors typically have a bachelor's degree and are paid less than counselors, who typically have a master's or doctoral degree. Although every ACC campus has at least one counselor, more advisors

than counselors are hired. First-time students are required to meet with an academic advisor or counselor, and previously enrolled students may see an advisor, counselor or faculty member before registering for classes.

ACC trains faculty members to be better advisors with a training model similar to that of Monroe Community College in New York. The model incorporates academic advising into the workload formula for adjunct and full-time faculty. Students can select their own advisors, and mini-advising centers are established in each academic program area. Students in good academic standing may self-advise but must meet with a counselor when they register for their 25th and 45th credits. Faculty advisors receive automated degree audits for students, current information on department Web pages and articulation/transfer Web pages that connect to the Web sites of other educational institutions. The model also recommends that a faculty advisor associate training program be implemented.

Currently, HCCS employs more counselors than advisors. Of the total number, there are 48 counselors (69 percent) and 22 advisors (31 percent), or two counselors to one advisor. If the ratio were reversed to two advisors to one counselor, the system could save money. Counselor salaries are approximately twice that of academic advisors. Actual salaries of HCCS counselors range from $48,204 to $83,335. Actual salaries of HCCS advisors range from $26,604 to $41,706. If the ratio is changed, more financial resources may be available to hire more advisors. More advisors would result in more time allocated to responding to the priority needs of students.

Recommendation 23:

Clarify the functions of advising and counseling and when counseling positions become available through attrition, fill as many as reasonable with academic advisors.

The advising/counseling hiring policy should clearly distinguish between the responsibilities of the advisor and the counselor and the qualifications, service expectations and training requirements of those in each role. Relevant skills, qualifications, education and licensure should be considered in selecting advisors and counselors, but emphasis should be placed on hiring academic advisors if this is what is most needed by students.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The chancellor directs the vice chancellor for Institutional Development to convene a task force of providers and users to	July 2003

	develop an advising/counseling policy for the college.	
2.	The task force conducts research of best practices and writes an advising/counseling policy and job descriptions that respond to students' needs.	September 2003
3.	The task force develops administrative guidelines for assignment, training and implementation.	November 2003
4.	The dean of Student Services conducts training for all counselors and advisors on the new job descriptions, processes and expectations.	January 2004
5.	Advisors and counselors elect a representative task force to meet quarterly to review and evaluate the policy and administrative guidelines and to make recommendations when appropriate.	Annually

FISCAL IMPACT

This recommendation can be implemented with existing resources, but the system would save in the future by hiring more advisors than counselors. The change could be accomplished through attrition.

Chapter 3
STUDENT SERVICES

D. Financial Aid

Community colleges compete for students with other public and private higher education institutions. Academic quality and affordability are determinants in these decisions. Consequently, institutions must continually assess the affordability of programs and the ease with which students can obtain information about and apply for financial aid. Administration of financial aid requires knowledge of and compliance with a multitude of federal, state and private funding sources, grants and programs.

Student Financial Aid (SFA) in the form of grants, work-study programs and loans are available to all HCCS students. **Exhibit 3-19** shows programs available to help with educational expenses through the Financial Aid Office at each college. Most of these programs are available to anyone who demonstrates financial need and qualifies academically.

Exhibit 3-19
HCCS Student Financial Aid Programs
2002-03

Financial Aid Program	Programs Available At HCCS	Description
Grants	Federal Pell Grant (Pell), Texas Public Education Grant (TPEG), Texas Tuition Assistance Grant (TTAG), State Leveraging Education and Assistance Partnership (LEAP), Federal Supplemental Educational Opportunity Grant (FSEOG), Toward Excellence Access and Success Grant (TEXAS) and State Student Incentive Grant (SSIG)	Most grant money is available to students who apply for financial aid and demonstrate financial need; enroll at least half time in an HCCS degree or certificate program; have not been convicted of a crime that involves a controlled substance and maintain satisfactory academic progress. TEXAS grant money is available to Texas residents who graduated from an accredited Texas public or private high school in the past 16 months and completed the recommended or advanced high school curriculum (transcript

		required).
Loan Programs and Emergency Loans	Federal Stafford Loan	Loans must be repaid, but have low interest rates and flexible payback schedules. Stafford Loan repayment begins after completion of educational program or once the student is no longer enrolled as least halftime. Some money is available as emergency loans for tuition, mandatory fees and textbooks. Emergency loans are awarded on a first-come, first-served basis and must be repaid within 30 days.
College Work/ Study Programs	Federal College Work/Study (FCWS) and State Work/Study (TXCWS)	College work/study programs allow student to work in a job related to his major or in community services and earn money to help pay for college.
Scholarships	HCCS coordinates institutional, foundation and private scholarships.	Scholarships do not have to be repaid if the recipient fulfills the conditions of the scholarship.

Source: HCCS, Financial Aid Web site.

Exhibit 3-20 shows the six largest financial aid programs at HCCS, the total amount of student aid awarded and the number of students served from 2001-02 to 2002-03. Since 2001, HCCS has awarded $52,219,090 in financial aid to 29,807 students.

Exhibit 3-20
HCCS Financial Aid Awarded and Total Students Served
2001-02 and 2002-03

Funding Source	Amount Awarded		Total Students Served	
	2001-02	2002-03*	2001-02	2002-03*
Federal Pell Grant (PELL)	$19,878,287	$18,607,072	10,183	7,810
Fed Supp Ed Opp Grant (FSEOG)	$1,200,935	$1,305,948	1,525	1,367

Tex Pub Educ Grant (TPEG)	$489,805	$334,982	1,282	706
Federal Stafford Student Loan	$2,273,955	$1,362,937	1,238	621
Fed Col Wk Stdy Prog (FCWS)	$681,037	$680,645	367	220
St Col Wk Stdy Prog (SCWS)	$40,879	$38,017	30	16
Other Financial Aid Programs	$3,585,063	$1,739,528	2,955	1,487
Total all funding sources**	**$28,149,961**	**$24,069,129**	**17,580**	**12,227**

Source: HCCS Financial Aid System Expenditure Report, 2001-02 and 2002-03.
*2002-03 numbers are for 10 months.
**Total includes six highest listed separately plus all other financial aid programs.

Federal financial assistance allocations received by HCCS totaled $28.1 million, exceeded only by $47.9 million at ACCD, $30 million at Dallas Community College District and $29.8 million at El Paso Community College District compared to all community colleges in Texas.

FINDING

HCCS offers many ways for parents and students to learn about financial aid. Each college has at least one One-stop Center where students can find out about financial aid. Financial Aid/Affordability is the only Student Services function with system oversight. The well-trained staff includes loan, grant and work-study specialists at both the system and college level, who are experts at fielding telephone calls from the public and making referrals to the appropriate college financial advisor.

Students and their families learn about available aid, understand the limitations and agreements of the type of funding they are receiving and receive funds in a timely manner so that the bills can be paid and arrangements can be made for housing, books and supplies. Institutions must coordinate the process and the flow of funds from the grantors to the students and monitor the recipients to ensure they comply with the terms of funding. Awards from financial aid programs funded by the federal and state government are administered according to the laws and guidelines that govern the programs. Priority is given to students with the greatest documented need whose complete applications are received by the deadline dates.

The Free Application for Student Aid (FAFSA) is readily available at the system and all colleges. Workshops and individual appointments help

students complete the complex FAFSA. Every new recipient is required to attend a financial aid orientation.

Although the current Web site is easily navigated and has complete information and links to other sites, it is being revised to make it more user-friendly. The HCCS SFA Web page links to the HCCS homepage, the Student Services page and to each of the five colleges. Different data are available on the college sites and formats differ, but all have information about financial aid, eligibility and deadlines, steps to apply for financial aid, scholarships, FAQs, veteran's affairs, as well as office locations, telephone numbers and hours of operation. In addition, the student handbook, the course schedule and brochures and flyers are readily accessible to students and provide additional information.

COMMENDATION

HCCS provides extensive information and multiple communication channels that enable students and parents to efficiently research available financial resources.

FINDING

According to written TSPR survey comments, the Student Financial Aid office is not adequately preparing for the Financial Aid software modules. HCCS has purchased a comprehensive information management system and has been implementing financial aid modules in stages. The goal is to have data systems that interface smoothly, improving efficiency and effectiveness. Full implementation will enable staff to look up an individual student online for information on the history and status of the student's award or produce batch reports that list all students and award amounts for a particular award program. PeopleSoft modules that have already been implemented with some level of functionality include reports of award term online and batch, budget building online, awarding online, authorization and disbursement online and batch and Pell reporting. However, when awarding students or verifying continued eligibility, satisfactory progress must be calculated manually. In addition, the software cannot automatically interface financial aid need with the many sources of financial aid grants and loans to produce an "award package" that lists all programs for which a student is eligible. Currently these functions are being done manually, a labor-intensive undertaking.

In May 2003 the automated packaging functionality will go live. Headed by the Chief Financial Aid Officer, an implementation team made up of eight staff from the college and system financial aid offices began meeting in September 2002. In January 2003, the team attended PeopleSoft training for Advanced Packaging 1-5, but most staff members interviewed

by TSPR were unaware that award-packaging modules are scheduled to be implemented in May 2003.

Other colleges have found that initial and ongoing training are necessary to ensure smooth financial aid software transition and implementation. Above all, regular communication with end users ensures efficient use of software. ACC, North Harris Montgomery Community College (NHMCC) and other colleges that use the same management information system (MIS), formed an SFA/MIS task force well in advance of scheduled implementation. An interschool task force was gathered, comprised of representatives of colleges that had fully implemented the same software, were in transition or were planning implementation. With regular communication, the colleges could identify potential implementation problems early and learn from each other's experience. As a group they were in a better position to negotiate with the software maker to make software improvements.

The task force also created a permanent Web site to track implementation schedules and problems as they are encountered and resolved. The site has FAQs and software patches that can be downloaded from the Web site. Some online training about specific problems is also posted. End users can solve many problems without help from the IT staff.

Recommendation 24:

Create a Student Financial Aid Technology Task Force to plan for the scheduled implementation and ongoing use of the Financial Aid modules.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The vice chancellor for Institutional Development directs the director of SFA and the director of Information Technology to appoint a task force of SFA software users and technicians.	July 2003
2.	The task force works to identify specific priority needs to ensure smooth transition, implementation, and use of the software.	July 2003
3.	The task force develops appropriate training modules, and the SFA director creates a "train the trainers" program so that all SFA staff can be trained before they use the system.	August 2003
4.	The director of Student Financial Aid trains, evaluates and retrains all staff, if necessary.	September 2003
5.	The task force identifies community colleges that use the financial aid software and communicates with them to identify and resolve common problems.	September 2003

6.	The task force develops a Web site to provide information and assistance to software users.	October 2003

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

Student focus group members and survey respondents report that Financial Aid advisors often do not provide the help students need and are not aware of students' need for privacy when discussing financial information, especially during peak enrollment times. The system does a good job of identifying and accessing multiple student aid programs to serve students who need financial assistance, but many students blamed incorrect or no information for missed deadlines and default.

Federal and state financial aid programs have strict rules about fund eligibility and administration. Frequently the rules are adjusted as a result of changes in the program and/or state and federal laws. Sanctions for errors are included in the regulations for many programs, including requirements for the educational institution to reimburse the government for funds when errors in administration occur. Financial aid staff must keep current on the latest changes.

As federal and state student financial aid programs expand, the complexity of administering them increases. HCCS has developed a system in which each campus-based Student Aid advisor is a specialist in a particular financial aid program and is a resource for other advisors on the campus. While this is a good practice, students say they sometimes have to wait a long time to obtain answers to simple questions, because the specialist is busy or absent.

TSPR student survey comments indicate that advisors are often indifferent or insensitive about student privacy. The 1974 Family Educational Rights and Privacy Act (FERPA) prohibits colleges from disclosing student/family financial information to the public.Often, especially during peak enrollment periods, the initial contact students have with Financial Aid staff is at counters, with no barriers or separations between other students at the counter, who can overhear private financial information. SFA counters and counseling offices are configured so that private conversations are difficult, if not impossible. System administrators note that new facility plans include private areas for intake staff to interview financial aid applicants, but privacy should not have to wait until these plans are implemented. Staff should be trained about privacy requirements in existing conditions.

El Paso Community College (EPCC) has a best practice model for providing financial aid to its students. EPCC cross-trains Financial Aid staff who work at the counter at peak times. They have developed a training program about the most frequently asked questions and the fact that students often do not know what to ask. Staff is trained to listen closely to students and determine what the student should be asking. While most students are served at the counter during peak enrollment time, one or more advisor is stationed behind the counter for one-on-one conferences with students who need to talk about personal financial information.

Because both staff and students grow frustrated with high demand and long lines, EPCC also uses a rotation schedule, so that during peak enrollment time staff spends some time at the counter and some time working one-on-one or at a different campus. The rotation helps with "burnout" and allows staff to greet students with a smile and handle problems patiently.

Recommendation 25:

Provide privacy for students to discuss financial information and train staff to provide efficient, accurate and customer-friendly service.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The SFA office identifies sources for the most critical financial aid training needs and develops a plan to train staff.	July 2003
2.	The Financial Aid specialists develop a FAQs manual and make it available to financial aid counselors, at the registration counter, and on the system's Web site. The FAQ manuals are updated annually.	September 2003 and Annually
3.	The director of Student Financial Services trains all Financial Aid advisors and registration staff at least annually in customer service and program FAQs, so all personnel are better prepared to help students during peak times.	October 2003
4.	The chancellor directs college presidents to work with Student Services deans to find private space at all campuses for student/counselor conferences.	November 2003
5.	The director of Student Financial Aid and Student Services deans monitor and ensure that all counselors offer students an opportunity for private counseling and that customer service desk staff treat all people courteously.	Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 3
STUDENT SERVICES

E. Student Organizations and Extracurricular Activities

College life involves more than attending classes to earn a degree or certification. It includes activities for student social and cultural development outside the formal academic program. The college experience allows students to participate in multiple types of learning experiences.

FINDING

HCCS offers a wide variety of extracurricular activities, such as student organizations and student activities. It also provides guidance on HCCS policies for recognizing and forming student organizations.

Leadership training is offered to students who are involved in recognized student organizations. Participation in campus-based, systemwide and community-oriented student activities provides valuable leadership skills and self-esteem. Leadership training is also provided through college workshops and seminars. **Exhibit 3-21** shows some organizations and annual student activities.

Exhibit 3-21
Sample of HCCS Student Activities and Organizations
2002-03

Activities	Organizations
• Lecture Series • Cultural Gatherings • Community Service Projects • Fall Dance • Share Your Christmas Food Drive • Asian New Year's Activities • Black History Month • Valentine's Dance • Disability Awareness • Creative Writing Conference	• Eagles Club • Math and Science Club • Criminal Justice Club • History and Government Society • Music and Entertainment Industry Student Association • Comic Collectors Club • Sociology Club • Dental Assisting Student Association • Student Government Organization

COMMENDATION

HCCS offers a wide variety of extracurricular activities and provides leadership training.

FINDING

Each Student Activities division and department has a plan to encourage cultural and fine arts appreciation and participation. HCCS holds annual systemwide events that focus on ethnic heroes and cultural history, such as Cinco de Mayo and Martin Luther King Day.

The Student Activities coordinators work closely with the Fine Arts departments. Student organization members work on publicity and posters for theater, music and visual arts events. Organizations provide refreshments and arrange facilities for events. Members are encouraged to attend events and often receive extra credit in academic areas for doing so.

COMMENDATION

HCCS encourages and rewards students who participate in cultural and fine arts activities.

FINDING

The once strong systemwide Student Government Council (SGC), made up of members from each college student government association, was discontinued because of lack of participation and system support. At one time, an employee at the system office coordinated the SGC. When that person was reassigned, no one assumed or was assigned responsibility for providing system support. Although each college has a student government association, student focus groups reported that the level of activity at the individual colleges varies widely.

The benefits of student government organizations are considerable. Self-governance encourages students to be respectful, responsible members of the campus, municipal and global community.

Participation in student governance instills in students certain values that will help them to be good citizens, such as:

- assuming personal responsibility for the quality of our communities and the importance of; building, maintaining and contributing to the campus, local and global community;

- taking ownership of our actions, opinions and beliefs;
- ensuring that our actions do not infringe on or violate the rights of others;
- speaking and listening to others with the intent of reaching understandings; and
- addressing situations and communicating concerns that respect community or individual rights.

Principles of self-governance are universally used to prepare students to be good citizens, through an administrative structure that challenges and supports students in governing themselves. Participation in student government offers leadership and educational opportunities for students interested in public service. The organization of representative government at the campus and system level helps students understand the interconnected levels of local, state and national government.

A systemwide SGC benefits both students and the college. Student leaders can positively influence decisions and procedures that affect the student body. They also have the opportunity to develop leadership skills and learn to identify and effectively express concerns. Participating in student government strengthens résumés for scholarships and jobs, and it provides a fun environment to meet new people.

Institutions and administrators benefit because students share ideas and concerns and provide valuable input about HCCS programs, services and facilities. The leadership and management skills often required by student government participation include community and program organizing, general management, budgeting, planning, public relations, and general government knowledge. Student government builds community leaders and helps develop loyal, knowledgeable alumni who can help guide and support HCCS growth and development.

Recommendation 26:

Revive the Student Government Council to bring students into the governance process of the college.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The chancellor assigns a member of the system staff to be the Student Government Council advisor.	September 2003
2.	The college presidents hold a student election to choose delegates from each campus to participate in developing policies on issues related to mission, representation, election of officers and activity fees to support activities.	October 2003

3.	The SGC advisor convenes the delegates and schedules meetings at least quarterly, rotating among the five campuses and 3100 Main Street.	December 2003 - May 2004
4.	The delegates present a constitution and bylaws to be adopted by the entire student body.	September 2004

FISCAL IMPACT

This recommendation can be implemented with existing resources.

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STUDENT SERVICES

F. Student Grievances and Grade Appeals

HCCS is committed to providing an educational climate that enhances the personal and professional development of each individual. To fulfill these missions, HCCS encourages a climate that values and nurtures collegiality, diversity, pluralism and the uniqueness of the individual. At the same time, HCCS strives to protect the rights and privileges that enhance self-esteem in all its members.

Any student who has a grievance about the interpretation, application or violation of rights or has been discriminated against or harassed because of age, color, disability, family status, gender, national origin, race, religion, veteran status or sexual orientation, including sexual harassment, can seek resolution of the grievance. All proceedings and records about sexual harassment complaints are confidential to the extent permitted by law. Memoranda about formal reprimands or disciplinary action of the student are placed in the student's permanent file. However, no student is subjected to retaliation by members of the college community as a result of filing a good-faith grievance.

According to HCCS policy, grade determination and awarding of course grades are clearly the responsibility of the instructor. Students have the right to appeal only final course grades. A student dissatisfied with a grade awarded while a course is in progress may discuss the matter with the instructor, but the instructor's decision is final at that point.

The academic dean handles complaints about test grades and final grades and the Student Activities dean handles grievances on other issues. Procedures are clearly defined and include informal resolution, formal grievance, hearing, official disposition, appeal of disposition, penalties and records.

FINDING

HCCS students have several ways to obtain information on student grievance and grade appeal policies. In a TSPR focus group, students showed good understanding of how grievance and grade appeal processes work. Policies are available in writing on the HCCS Web site, in the student handbook and in the course syllabus. Copies are also available in the assistant deans' offices and in counselors' offices. The required new student orientation also contains a module on grievance/appeal policies and how to use them.

HCCS keeps discipline records on a local level. The college official who has the student's file routinely flags the student's online record so it is easily located.

COMMENDATION

HCCS has written policies on student grievances and grade appeals and communicates those policies to students in several ways, including required new student orientation.

FINDING

According to the vice chancellor of Student Services, records of grievances and appeals are not used to evaluate programs. Each college keeps its own records and does not forward information to the system about the number of grievances/appeals filed, the subjects of the grievances/appeals, how the grievances/appeals were resolved, at what step in the process or the level of student satisfaction with the process. The system does not evaluate whether the processes are working properly or consistently systemwide.

Even students who understand the process worry about the grade appeal policy. Appeals must be made within 45 days of final-grade posting and should be resolved by the beginning of the next semester. The policy clearly states that the faculty will be upheld unless "the student can demonstrate that the grade received was contrary to procedures as specified in the course syllabus or was based on bias, caprice or computational or clerical error." If a student files an appeal in the following semester, which they must if they cannot file until the final grade is issued, and if the instructor is an adjunct faculty who is no longer employed with the college, the delay in the process negatively affects students' ability to prove their case and their right to a timely resolution.

Grievances and grade appeals can escalate to litigation if either party is dissatisfied with the resolution. In the area of sexual harassment complaints, issues and definitions are evolving as lawsuits are resolved. It behooves the institution to keep tabs on these records for risk management.

Recommendation 27:

Compile, analyze and monitor student complaints and appeals to the system office for legal risk management and management improvements.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The chancellor directs each president to submit student complaint and appeal information.	August 2003 and Annually
2.	The college presidents submit the information.	August 2003 and Annually
3.	The assistant vice chancellor for Student Services and the General Counsel review the complaint and appeal and advise each president.	As needed

FISCAL IMPACT

This recommendation can be implemented with existing resources.

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STUDENT SERVICES

G. Student Records

Maintaining student records is centralized at the system offices at 3100 Main. Applications, documentation of TASP-exempt status and transcripts that are submitted at the colleges are sent to 3100 Main and stored centrally. How long the documents are kept at the college depends on the particular college. Some colleges send the documents weekly and some wait until the semester end. All colleges keep copies of official transcripts that are turned into them so they can advise students on course selections and career paths. Transcripts are currently issued at 3100 Main and at Central College and will be available at each college by the end of the Spring 2003 term. All official transcripts from HCCS are produced in Student Records at the system level.

HCCS is moving to an electronic storage system, but some hard copies remain. Hard copies and electronic backup copies are kept in accordance with state laws and other regulations. Student records are backed up nightly. They are kept in a fireproof cabinet and picked up weekly to be stored offsite, and they are rotated back to the main building every eight weeks.

FINDING

There is no fee for an official transcript and there is no limit to the number of transcripts a student may request. The Student Records office processes more than 76,000 transcripts a year with only one staff person. The turnaround time for processing transcript requests ranges from three days to two weeks.

Providing free transcripts benefits students, but it does not offset the staffing, reproduction, equipment, postage or overhead costs. Colleges that charge a fee have more resources available to reduce the turnaround time and the inconvenience caused by delays in processing. Austin Community College charges $5 per transcript for this service.

Recommendation 28:

Establish a fee for student transcripts.

Revenue from this fee will cover the cost of the person who processes the requests for transcripts at the system level, any indirect costs that are

associated with this function and any new hires who might be needed to handle the volume of transcript requests within the next five years.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The vice chancellor for Institutional Development obtains the necessary approval to implement a transcript fee that will recover costs.	July 2003
2.	The vice chancellor for Institutional Development assigns responsibility for developing procedures for collecting the transcript fee.	July 2003
3.	The designee of the vice chancellor for Institutional Development develops and documents implementation and collection procedures for the transcript fee.	July 2003
4.	The designee provides the procedures to the vice chancellor for Institutional Development for review and approval.	August 2003
5.	If necessary, the designee revises the procedures per the instructions of the vice chancellor for Institutional Development.	August 2003
6.	The vice chancellor for Institutional Development provides written documentation to all concerned, including the bursar's office and the president and COO at each college, of the effective date and processes and procedures relating to the transcript fee.	September 2003
7.	The vice chancellor for Institutional Development implements transcript fee.	September 2003

FISCAL IMPACT

This fiscal impact is based on the 76,188 transcripts mailed during 2001-02. Assuming a $5 processing fee per transcript, additional revenues are estimated to be $380,940 (76,188 x $5).

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08
Establish a fee for student transcripts.	$380,940	$380,940	$380,940	$380,940	$380,940

Chapter 3
STUDENT SERVICES

H. Transportation

HCCS students, faculty and staff are expected to provide their own transportation to facility locations. Ample parking is available for current needs at nearly all locations. METRO, the Houston area mass transit system, provides bus service to all HCCS locations. The single current transportation issue is going to the Health Careers facility, located in the medical center. Students who must drive to this location typically use commercial parking areas that cost $12 an hour. HCCS is contacting other educational institutions in the medical center to try to arrange a shuttle bus system to more remote parking areas. The lack of affordable parking will be alleviated in 2004 when the METRO downtown transit center is opened, linking bus and rail service in an accessible transportation hub.

FINDING

HCCS has a good working relationship with the City of Houston's METRO, which facilitates good transportation services for students at a low cost. Historically, METRO has been open to adjusting routes to accommodate HCCS locations. During the past few years, METRO has established a small transit center at the Northline location of Northeast College. While the vice chancellor for Economic Development is the liaison with METRO, it is up to the COO at individual colleges to work directly with METRO on mass transit-related issues. HCCS also participates in METRO's UPass program, which provides free bus service for students who are enrolled for at least nine credit hours. The City of Houston will extend this service to the light rail line when it is completed.

COMMENDATION

HCCS has a positive working relationship with the City of Houston's METRO, which provides low-cost transportation services to students.

Chapter 4
HUMAN RESOURCES MANAGEMENT

This chapter reviews the Houston Community College System's (HCCS) human resources management function in the following sections:

A. Organization and Staffing
B. Compensation and Evaluation
C. Non-Faculty Recruitment and Selection Process
D. Employee Relations and Grievance Process

Like most organizations, human resources management (HR) is a critical function of a college system. Successful personnel management includes proactive recruitment and hiring; competitive classification, compensation and benefits administration; effective training and professional development; and efficient evaluation of staff performance. Additionally, compliance with state and federal laws and statutes, as well as the establishment of equitable and practical policies and procedures, are fundamental to the recruitment and retention of competent staff.

BACKGROUND

College systems vary in how they organize human resource functions. Some have staff development departments within the Human Resources Department, while others coordinate this function with other departments. Regardless of organizational structure, the human resource function:

- plans and forecasts personnel needs;
- develops and maintains personnel policies and job descriptions;
- recruits employees, including interviewing, selecting and processing new employees;
- maintains complete employee records;
- handles employee complaints and grievances;
- manages the employee evaluation process, including determining and maintaining compensation schedules;
- processes promotions, transfers and resignations;
- creates an employee retention plan; and
- ensures that related laws and regulations are followed.

HCCS employs more than 5,300 individuals at five colleges, numerous campuses and one central administration office. **Exhibit 4-1** displays the breakdown of full-time and part-time staff at the campuses and administrative offices.

Exhibit 4-1
HCCS Employees by Location
2002-03

Employee Type	Central College	Northeast College	Northwest College	Southeast College	Southwest College	System	Total
Full-Time	312	288	176	284	291	436	**1,787**
Part-Time	741	736	459	487	678	460	**3,561**
Total	**1,053**	**1,024**	**635**	**771**	**969**	**896**	**5,348**

Source: HCCS Human Resources Department.

HCCS categorizes its full-time and part-time employees into the following groups:

- executive/administrator/manager;
- faculty;
- professional - non-faculty;
- counselors and librarians;
- secretary/clerical (upper level);
- technical/para-professional;
- skilled craft; and
- service/maintenance.

For the purposes of this chapter, staff refers to all non-teaching positions, faculty refers to full-time and part-time teaching positions and employees refer to both faculty and non-faculty staff. **Exhibit 4-2** shows the number of full-time and part-time employees in each of the eight employment classes.

Exhibit 4-2
Number of HCCS Employees by Classification
2002-03

Employee Type	Full - Time	Part - Time	Total
Executive/Administrator/Managerial	113	8	**121**
Faculty	685	1,979	**2,664**
Professional - Non-faculty	276	225	**501**
Counselors and Librarians	75	2	**77**
Secretary/Clerical (Upper level)	342	652	**994**

Technical/Para-professional	180	562	**742**
Skilled Craft	3	0	**3**
Service/Maintenance	113	133	**246**
Total	**1,787**	**3,561**	**5,348**

Exhibit 4-3 shows HCCS overall staffing patterns since 1999-2000. Student full-time equivalent (FTE) equals the total number of fall semester credit hours at an institution divided by 15 semester credit hours. This standard method of calculation follows Southern Regional Education Board practice. Enrollment (headcount) consists of the number of students attending the system during a fall semester. Full-time staff levels have increased at approximately the same pace as enrollment over the past three years, but student FTE growth was considerably higher than that of full-time staff levels. This led to higher productivity of the full-time work force, as shown in an increase in the ratio of student FTEs to full-time staff from 1999-2000 to 2002-03. The significant staffing growth occurred in part-time employees, which has increased by 78.1 percent since 1999-2000. By 2002-03, the percentage of part-time to total faculty increased from 67.1 percent to 74.3 percent.

Exhibit 4-3
Trend Comparison - HCCS Employees
1999-2000 through 2002-03

	1999-2000	2000-01	2001-02	2002-03	**Percent Change 1999-2000 to 2002-03**
Students (Fall Semester): Enrollment (Headcount) Full-Time Equiv. (FTE)	32,134 16,813	33,509 17,716	34,714 18,324	40,753 24,333	26.8% 44.7%
Full-Time (FT) Employees: Faculty Non-Faculty Total	544 895 1,439	787 N/A N/A	644 912 1,556	685 1,102 1,787	25.9% 23.1% 24.2%
Part-Time (PT) Employees: Faculty Non-Faculty Total	1,111 N/A	915 N/A	975 N/A	1,979 1,582 3,561	78.1%

	Alamo	Austin	Dallas	Houston	North Harris Montgomery
Total Employees:					
Faculty				2,664	
Non-Faculty	1,655	1,702	1,619	2,684	
Total	N/A	N/A	N/A	5,348	61%
Ratios:					
Total Enroll./Total Employees	N/A	N/A	N/A	7.6	2.2%
Total Enroll./FT Employees	22.3	N/A	22.3	22.8	
FTE Enroll./Total Employees	N/A	N/A	N/A	4.5	
FTE Enroll./FT Staff	11.7	N/A	11.8	13.6	16.2%
Percentage of PT to Total:					
Faculty	67.1%	53.8%	60.2%	74.3%	
Non-Faculty	N/A	N/A	N/A	58.9%	10.7%

Source: Texas Higher Education Coordinating Board, Statistical Report, 1999-2000 through 2001-02; and HCCS Human Resources Department, 2002-03.
Note: N/A = not available.

Exhibit 4-4 shows a comparative analysis of HCCS staffing patterns to those of peer institutions. The use of part-time staff may influence these productivity levels.

Exhibit 4-4
Staffing Patterns
HCCS and Peer Colleges
Fall 2001

	Alamo	Austin	Dallas	Houston	North Harris Montgomery
Students:					
Enrollment (Headcount)	42,044	27,577	50,191	**34,714**	29,386
Full-Time Equiv. (FTE)	24,455	14,005	26,849	**18,324**	15,214
Full-Time (FT) Employees:					
Faculty	812	503	863	**644**	838
Non-Faculty	727	751	1,630	**912**	829
Total	1,539	1,254	2,493	**1,556**	1,667
Part-Time (PT) Employees					
Faculty	1,382	999	1,993	**975**	627
Non-Faculty	N/A	N/A	N/A	**N/A**	N/A
Total Employees:	2,194	1,502	2,856	**1,619**	1,465
Faculty	N/A	N/A	N/A	**N/A**	N/A

Non-Faculty					
Ratios: Total Enroll. / FT Employees FTE Enroll. / FT Employees	27.3 15.9	22.0 11.2	20.1 10.8	**22.3** **11.8**	17.6 9.1
Percentage of PT to Total: Faculty Non-Faculty	63.0% N/A	66.5% N/A	69.8% N/A	**60.2%** **N/A**	37.6% N/A

Source: THECB Statistical Report, 2001.
Note: N/A = not available.

Average annual salaries at HCCS range from $29,000 for service and maintenance employees to about $80,000 for executive and administrator-level employees. **Exhibit 4-5** shows the average annual salaries for the eight employee classes. Faculty salaries vary among disciplines, so the exhibit lists the classes by discipline:

Exhibit 4-5
Average Salaries by HCCS Employee Class
2002-03

Employee Type	Average Salary
Executive/Administrator/Manager	$80,574
Executive/Administrator/Lower Level	$69,093
Faculty/Letters	$43,544
Faculty/Math Science	$47,101
Faculty/Social Sciences	$47,768
Faculty/Other Academic	$48,684
Faculty/Health Programs	$57,607
Faculty/Business Programs	$55,187
Faculty/Mechanical & Repairs	$59,207
Faculty/Other Technical	$52,379
Faculty/Continuing Education	$30,765
Professional - Non-faculty	$45,736
Counselors and Librarians	$57,841

Secretary/Clerical (Upper level)	$30,833
Technical/Para-professional	$32,196
Skilled Craft	$38,819
Service/Maintenance	$29,288

Source: HCCS Human Resources Department, System Report, November 2002.

Like most colleges and universities, HCCS has a diverse staff, faculty and student body. **Exhibit 4-6** shows the ethnic composition of instructors, students and administrative staff of HCCS.

Exhibit 4-6
Ethnicity of HCCS Faculty, Students and Administrative/Support Staff
2002-03

Ethnicity	Faculty		Students *		Administrative Staff	
	Number	Percent	Number	Percent	Number	Percent
American Indian/ Alaskan Native	13	0.5%	82	0.2%	8	0.3%
Anglo	1,492	56.0%	9,866	28.4%	682	25.4%
Asian/Pacific Islander	167	6.3%	4,188	12.1%	343	12.8%
African-American	706	26.5%	7,810	22.5%	987	36.8%
Hispanic	261	9.8%	8,690	25.0%	636	23.7%
Unknown	N/A	N/A	627	1.8%	N/A	N/A
International	25	0.9%	3,451	9.9%	28	1.0%
Total	**2,664**	**100.0%**	**34,714**	**100.0%**	**2,684**	**100.0%**

Source: Staff numbers from HCCS Human Resources Department, November 2002; and student data from THECB, 2001-02.
*Note: The student enrollment number is for 2001-02.

Staff training exposes employees to new or better ways to complete tasks or solve problems. A more efficient work force has benefits to the employer, including increased productivity. HCCS has developed a

professional development program called the College Leadership Program (CLP) in which all newly-hired and newly-promoted supervisors must participate. Training topics cover the essentials for managing staff, including:

- policies and procedures;
- records management;
- overtime/FLSA/leave guidelines;
- required forms;
- workers' compensation;
- Equal Employment Opportunity (EEO);
- Employee Assistance Program (EAP);
- sexual harassment;
- discrimination;
- purchasing and inventory control;
- safety and loss control;
- computers and telephones;
- employee discipline;
- employment practices and interviewing;
- leadership skills; and
- management principles.

HR staff and other key staff throughout the organization deliver the mandatory training for the program. Other training provided includes: a new employee orientation; College Office Professionals Program, which provides training for all secretarial and clerical positions; and the Advanced Connections Program, which provides training in customer service for all system employees. Tuition assistance is also available through the Employee Higher Education Program.

Chapter 4
HUMAN RESOURCES MANAGEMENT

A. Organization and Staffing

The HCCS Human Resources Department recruits and hires employees; processes employment status changes; maintains employee records; develops job descriptions; oversees employee evaluations; develops and delivers professional development trainings; and handles employee complaints and grievances and employment-related lawsuits.

HCCS's Human Resources Department consists of an executive director, five human resource directors and the chief of police. The executive director reports to the chancellor. The Human Resources director positions oversee the following functions: Employment Services, Employee Learning and Organizational Development (ELOD), Compensation, Employee Relations/EEO and Benefits. The executive director of Human Resources position is currently vacant with an interim director managing the HR functions. Although the Benefits director historically has reported to the executive director for Human Resources, the director temporarily reports to the vice chancellor for Finance and Administration because of staffing issues. Payroll functions report to the vice chancellor for Finance and Administration. The chief of police for HCCS also reports to the executive director of Human Resources. **Exhibit 4-7** shows the organization structure of the HCCS human resources function.

Exhibit 4-7
HCCS Human Resources Department Organization

November 2002
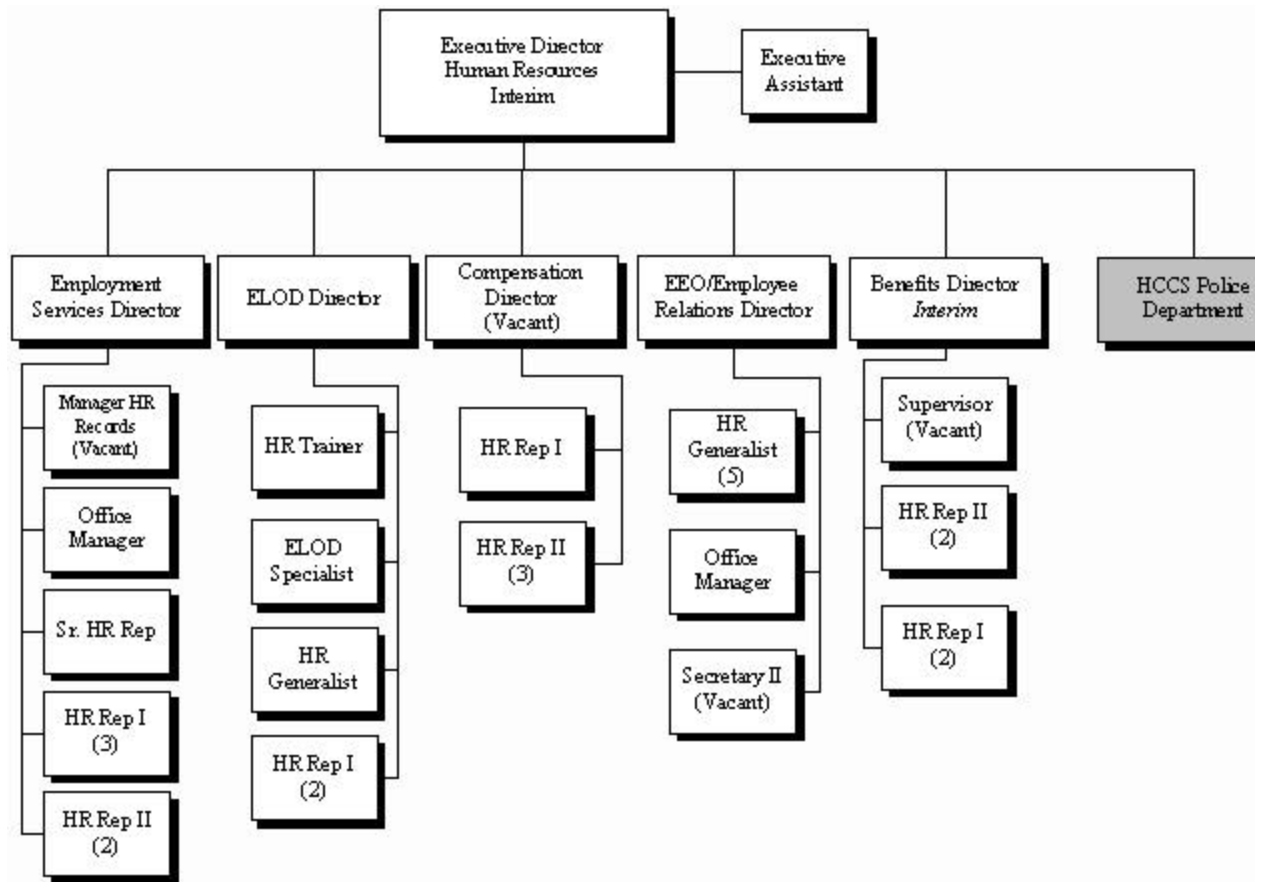
Source: HCCS Human Resources Department, November 2002.

HCCS spends $1.6 million annually on its human resource management function, less than 1 percent of its $170 million current fund budget. Approximately 84 percent of the Human Resources Department budget is allocated to staff salaries. **Exhibit 4-8** shows a breakdown of the 2002-03 human resources budget.

Exhibit 4-8
HCCS Human Resources Department Budget
2002-03

Budget Item	Amount	Percent of Total
Salaries	$1,344,190	83.9%
Supplies and general expenses	$98,845	6.2%
Furniture and equipment	$33,950	2.1%
Travel	$32,580	2.0%

Advertising/brochures	$41,000	2.6%
Contract services	$19,500	1.2%
Computer equipment/software	$15,800	1.0%
Memberships	$8,900	0.6%
Other	$8,150	0.5%
Total		

Source: HCCS Human Resources Department, November 2002.
Note: Totals may not equal to 100 percent due to rounding.

FINDING

The Human Resources Department maintains a comprehensive and informative Web site. The department provides internal and external online access in a logical and user-friendly format for:

- job postings;
- benefits information;
- employee learning and development programs and services;
- customer feedback forms;
- department contact information;
- HR documents, including employment applications, evaluations and leave of absence forms; and
- extensive HR policies and procedures.

Because many human resource functions require documentation and employee signatures, HR departments tend to be paper-intensive. The HCCS department successfully reduced the number of personnel inquiries that consumes time for other important functions by providing online access to forms, job postings, procedures and policies. Most HCCS Web sites are not as complete, useful and user-friendly as the Human Resource Web site.

COMMENDATION

The Human Resources Department maintains a comprehensive Web site that includes access to forms, policies and procedures.

FINDING

The Human Resources Department is not successfully implementing its strategic plan and is not being held accountable for performance. The

department has been in a state of change since 2000-01. Between 1999 and 2001, the executive director of Human Resources position remained vacant. In 2001, HCCS filled the position, but staff and faculty have been dissatisfied with the direction and leadership of the Human Resources Department. On February 8, 2002, the Faculty Senate unanimously voted "no confidence" for the executive director of Human Resources. According to the minutes from the Faculty Senate meeting, the "no confidence" vote resulted from opinions that the department performed poorly and inconsistently and that the executive director had an adversarial relationship with faculty and transmitted his bias to senior members of his department; tried to usurp the authority of instructional administrators with respect to pay for faculty overloads; and did not provide effective leadership.

In April 2001, the chancellor commissioned a peer community college in Texas to conduct an independent review of the HCCS Human Resources Department. The study reviewed seven areas and culminated in a summary three-page report. The review noted that some improvements had been made and that the department implemented a number of ways to receive feedback. The report also relayed some concerns regarding the role of the generalists assigned to the individual colleges and the various duties of the director of Employee Relations. Generalists report to the director, which could complicate the confidentiality and investigation processes.

In November 2002, after the executive director of Human Resources resigned, HCCS named an interim executive director and initiated a search.

As part of this review, TSPR conducted public forums to obtain opinions about the effectiveness and efficiency of all areas of the organization. Comments made during the forums regarding the human resources function of HCCS included:

- "In order for the organization to run smoothly, Human Resources should be one of the best functioning departments. This is hard to do for the rest of the departments when HR needs better direction...HR goes through their own re-organization and places personnel at their own discretion, where they want. The rest of the system must follow guidelines and procedures."
- "Human Resources Management is a critical area and a component of strategic planning that is trailing behind. The HR department at HCCS lacks consistency, efficiency - in reality, it just needs help!"
- "There is a disconnect between Human Resources and faculty. HR seems to exist in a vacuum and it doesn't respond to, or simply ignores, faculty concerns."

- "Most agree that the Human Resources Department is in complete disarray with no accountability to anyone."

During the on-site interviews, most HR Department staff expressed frustration and dissatisfaction with the previous leadership. As a result, a culture of mistrust and low employee morale prevails throughout the department. This negatively affects staff productivity, which in turn affects the efficiency and effectiveness of the entire department. It has also impacted turnover. **Exhibit 4-9** shows that the HR department's turnover rate in recent months ranks higher than the overall turnover rate for HCCS and the turnover rate for staff at the system offices.

Exhibit 4-9
HCCS Turnover Rates
September through October 2002
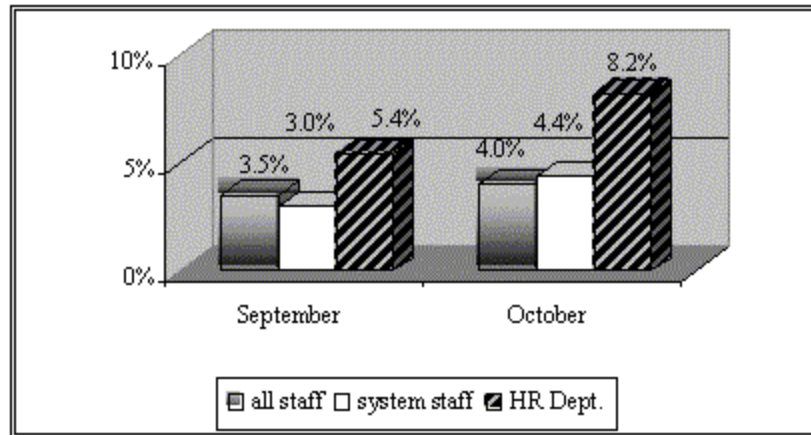
Source: HCCS Human Resources Department.

The Human Resources Department has a mission statement and strategic plan. **Exhibit 4-10** shows the mission, vision and values of the HCCS Human Resources Department.

Exhibit 4-10
Mission, Vision and Values
HCCS Human Resources Department

Mission
The Human Resources Department will provide vision and leadership by: • recruiting/retaining qualified employees;   • ensuring internal/external pay equity;   • creating a work environment that encourages high productivity, continuous improvement and opportunity for career enhancement;

• fostering a sense of fair play/fair dealing; and
• collaborating with the State of Texas to improve employee health care plans.

Vision
The Human Resources Department will be: • recognized for its excellent customer service;   • recognized for its "point of service" consultation;   • responsive to employee issues/concerns;   • regarded as objective in conflict resolution; and   • regarded as highly skilled and knowledgeable professionals.

Values
The Human Resources Department affirms the following values: • dignity, the belief that employees should be treated with respect;   • justice, the belief that employees should be accorded due process;   • service, the belief that employees should receive quality customer service;   • excellence, the belief that employees should strive to attain high standards of performance and proficiency; and   • stewardship, the belief all employees should wisely use their talents and resources.

Source: HCCS Human Resources Department, November 2002.

The Human Resources Department developed a strategic plan that incorporates the department's mission, vision, values, goals, priorities and timetables for the fiscal 2001 through 2003. The plan establishes the department as a strategic partner with an integral role in providing the support and services essential to the accomplishment of the HCCS Strategic Plan. **Exhibit 4-11** summarizes the nine major goals and objectives of the HCCS Human Resources Department.

Exhibit 4-11
Strategic Plan 2001-03
HCCS Human Resources Department

Goal	Objectives
1. Implement Position Control Develop/implement Position	• Develop template to identify and track personnel status changes. (fall

Control Report to realize personnel savings by tracking personnel changes through the system.	2001) • Develop procedures/guidelines to ensure understanding and acceptance throughout the System. (fall 2001) • Realize $2.1 million savings by reducing September 2000 full-time headcount by 5 percent through attrition. (fall 2001)
2. Implement Compensation Market Study Implement Compensation Market Study to ensure HCCS maintains internal pay equity and market competitiveness.	• Evaluate and assign all full-time positions to their respective competitive pay lines. (fall 2001) • Ensure full-time employees are within the market range of their respective pay line. (fall 2001) • Develop model to award additional pay for HCCS full-time experience. (fall 2001) • Install Salary Management System (SMS) to continually monitor the market. (fall 2001) • Develop plan to communicate results of market study. (Fall 2001) • Implement Market Study (spring 2002)
3. Revise Administrative Support Staff Part-Time Pay Scale Establish a market competitive part-time hourly pay scale.	• Evaluate principal job duties of current part-time jobs and assign correct job title. (fall 2001) • Establish official list of part-time jobs/titles with respective pay rates. (fall 2001) • Revise current part-time hiring procedure to include HR coordination. (fall 2001) • Implement part-time increase as approved by board. (spring 2002)
4. Develop/Implement Performance Management Program Provide a systematic communication tool for managers	**I. Performance Appraisal Program** Adopt Management by Objectives and Results (MBOR) as the cornerstone of the Performance Management Program and tie it directly to the goals of HCCS's Strategic

and their employees to mutually define job expectations, evaluate/reward performance and help develop employees to their fullest potential.	Plan: • conduct focus groups to develop job specific performance appraisal criteria. (spring 2002) • develop performance appraisal tool to include job related goals and universal/managerial job elements. (fall 2002) • train on the use of the performance appraisal program.(spring 2003) • implement Pilot Performance Appraisal Program. (fall 2003) • implement Performance Appraisal Program for fiscal 2004-2005 **II. Compensation Delivery Program** To establish clearly defined policies, procedures and guidelines for salary budgeting and administration and to ensure a clear understanding among all employees of how the compensation program will reward employee performance based on MBOR: • revise/update *Compensation Policies and Procedures Manual* to reflect HCCS compensation philosophy and establish performance-based salary increase guidelines. (spring 2003) • conduct informational sessions on the use of the Compensation Manual. (spring 2003) • implement Compensation Delivery Program for fiscal year 2004-2005
5. Review/Revise/Update HR Policies/Procedures Manual To provide a guide for management to aid in the implementation of effective/productive relationships among all employees.	• Conduct focus groups on critical policies. (spring 2002) • Draft proposed revisions and submit to chancellor and Executive Team for review. (spring 2002) • Finalize draft and submit to Board for approval. (spring 2002)

	• Conduct information sessions for management and employees. (fall 2002)
6. Training and Development Develop training programs to address specific management/supervisory training needs.	• Develop plan to include incumbent managers, supervisors and directors in the College Leadership Program. (fall 2001) • Continue to revise/improve College Leadership Program for new supervisors. (fall 2003) • Develop/implement PAL Staff Mentoring Program (fall 2002). • Provide systemwide Customer Service and Diversity Training.(fall 2002) • Develop/implement mid- and executive-level Leadership Development Program. (fall 2003)
7. Recruitment and Staffing Develop recruiting strategies to attract and hire qualified candidates in a timely manner.	• Revise Screening Committee Guidelines to allow more flexibility in hiring process. (spring 2002) • Revise Job Bid Procedure to allow hiring authority flexibility in filling vacancy. (fall 2001) • Review/revise departmental employment processes to improve customer service. (spring 2002) • Develop plan for onsite campus recruiting of faculty and technical (IT) candidates. (spring 2002)
8. Benefit Plan Design Review current benefit plan design to ensure employees are provided competitive health care coverage at a reasonable cost.	• Review Benefit Plan Designs. (fall 2002) • Obtain/review/analyze experience loss reports to ensure employer/employee premiums are competitive. (fall 2002) • Solicit bids on welfare plans from vendors for ancillary coverages such as eye care, cancer, etc. (spring 2002)

	• Introduce Cafeteria Plan. (fall 2003)
9. Administration and Support Support HCCS's Strategic Plan by developing and implementing programs in support of "Building a Learning College."	• Assign HR Generalist at each college (spring 2002). • Develop/distribute Employee Handbook (fall 2002). • Develop Diversity Plan (spring 2002). • Develop Management Succession Plan (fall 2003). • Develop Time and Attendance Program (fall 2003). • Implement HR Performance Task Force Committee initiatives (fall 2003).

Source: HCCS Human Resources Department.

The strategic plan serves as a comprehensive document that incorporates the key elements required for improved performance. However, this plan has not yet addressed the problems described, primarily because of the lack of stable leadership to implement the plan. Further, the strategic plan will expire at the end of 2003.

Effective human resource departments track key performance measures and use them to hold the department accountable for performance. HCCS has some of this information available, but it has not been used to support accountability for achieving plan objectives. Performance measures typically used to hold human resource departments accountable include:

- number of students per human resources employee;
- annual staff turnover in human resources department;
- turnover, by function;
- number of vacant positions, including duration of vacancy;
- total overtime cost and as a percentage of gross salaries and wages;
- customer satisfaction results (based on periodic surveys);
- number of employee grievances;
- number of employee lawsuits filed, dismissed, settled, lost;
- average response time for employee requests; and
- dollar value of employee litigation settlements and judgments.

Recommendation 29:

Update the Human Resources Department Strategic Plan to include performance measures for efficiency, effectiveness and customer satisfaction.

HCCS has a good strategic plan framework on which to build. Involving key stakeholders and customers in the update and refining this plan to include specific performance measures will improve overall department accountability and performance. The following key issues and questions should be addressed in this plan.

- Should the human resources function be centralized or decentralized? Which approach is more efficient? Which approach better serves system objectives? Which approach maximizes customer service to the colleges?
- Based on the centralized/decentralized decision, is the Human Resources Department properly staffed?
- How will department leadership and department employees be held accountable for performance? What performance measures and targets would be reasonable to include in annual performance evaluations?
- How can customer satisfaction be measured on an ongoing basis? Are adequate mechanisms for customer feedback in place?

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The chancellor establishes a systemwide committee to update and refine the strategic plan for the Human Resources Department. The committee consists of Human Resources Department management and employees, faculty representatives, college senior management and representatives from central office administrative functions.	July 2003
2.	The committee updates and refines the strategic plan for the Human Resources Department for 2003 through 2008.	October 2003
3.	The executive director of Human Resources ensures that data collection systems are in place to track performance measures and report performance against targets on an annual basis.	November 2003
4.	The chancellor incorporates performance measures into the evaluation instrument of the executive director of Human Resources to ensure accountability for performance.	November 2003
5.	Internal audit conducts surveys of faculty and staff on an annual basis to evaluate human resources customer service levels and reports the survey results to the board.	June 2004 and Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

The Human Resources Department includes functions that logically belong elsewhere in the HCCS organization.

The HCCS Police Department reports to the executive director of Human Resources. The chief of police is the only one of six direct reports to the executive director for Human Resources not involved in a human resource function. None of the duties or qualification requirements in the executive director job description relate to the police force or safety and security. In addition, the departmental strategic plan and mission statement for the Human Resources Department do not include any references to the Police Department.

A survey by the International Association of Campus Law Enforcement Administrators reveals that 20 percent of colleges have their Police Department report to Human Resources, 25 percent report to Student Services and 55 percent report to Finance and Administration. Most college systems group similar support functions under a single position.

Recommendation 30:

Move the Police Department from Human Resources to Finance and Administration.

Aligning the Police Department under Finance and Administration will allow Human Resources to focus exclusively on human resource objectives.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The chancellor realigns the Police Department under Finance and Administration and notifies the vice chancellor for Financial and Administrative Services of the additional responsibilities.	July 2003
2.	The vice chancellor for Financial and Administrative Services incorporates the new function into the department mission statement, goals and objectives.	August 2003
3.	The vice chancellor for Financial and Administrative Services meets with the chief of police to review expectations and performance targets.	August 2003
4.	The vice chancellor for Financial and Administrative Services and chancellor review the effectiveness of the realignment and make	June 2004

	any necessary adjustments.	

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

Human resource generalists spend too much time on paperwork and not enough time on their primary functions. Generalists provide guidance to employees, interpret human resource policies, handle employee complaints and investigations and assist in hiring activities. HCCS uses an automated human resource system. Through this system and Web-based access points, the Human Resources Department provides internal and external online access to job postings, benefits information, employee learning and development programs and services, customer feedback forms, department contact information, employment applications, evaluation instruments, leave of absence forms and human resource policies and procedures. Despite the existence of an automated system, many human resource functions at the colleges are manual, paper-intensive and inefficient because the generalists have not been given access to all the modules of the human resource system needed to complete changes on-site.

An April 2001 Human Resources audit recommended increasing the number of human resource liaisons at the college campuses. The majority of human resources functions are centralized, but the recommendation prompted the Human Resources Department to provide all campuses with one generalist. Most of the decision-making for college-based employees occurs at the college, and the generalists provide front-line support for the colleges. **Exhibit 4-12** presents a summary of the job duties for the generalist position.

Exhibit 4-12
Human Resource Generalist Job Responsibilities

Area	Sample of Duties
Employee Complaints	• Studies complaints to clarify issues and meets with personnel involved to arbitrate and settle disputes
Case Investigation	• Attends case review meetings to discuss cases, explore options and develop strategic plans • Conducts interviews with personnel who can provide information or clarification of issues

	directly related to complaints or litigated matters • Prepares investigative summaries and recommends corrective actions
Performance Improvement	• Assists HCCS managers and supervisors with developing performance improvement plans, written employee warnings and other tasks associated with disciplinary action • Conducts and/or coordinates workshops on personnel issues
Recruiting	• Assists HCCS with efforts to recruit and retain a faculty and staff that are diverse and representative of the community • Reviews all screening committee interview questions to ensure that the questions are objective, job-related, non-discriminatory and measurable • Reviews and approves hiring documentation
Policy Interpretations and Compliance	• Provides HCCS managers and supervisors with assistance in policy interpretations • Provides information on HR policy issues and practice, including paid time, leave time, lost time, release time and attendance problems

Source: HCCS Human Resources Department.

Human resource generalists spend a significant amount of time creating paperwork and transmitting it to the central office, where certain data items are entered into the automated human resource system and the paperwork filed. A relatively small portion of human resource generalist's time is spent on the higher value activities of attending hiring committee meetings and being available for college employees who need guidance or advice with personnel matters. While the review team was on site conducting interviews, several employees across the system complained that the Human Resources Department was a "black hole" where many transactions and forms disappeared. Lost forms directly affect turnaround time in executing personnel transactions.

The technology is in place to allow the generalists to conduct this work from the colleges, but they have not been given access to the system. This reduces the effectiveness because most of their time is spent transporting paperwork between colleges and central administration, not actually

processing the paperwork on site, which would significantly reduce the turnaround time to customers and allow them to focus more on their primary activities.

Recommendation 31:

Grant human resource generalist positions access to existing automated tools needed to improve their efficiency.

The college human resource generalists should focus more on the support tasks assigned in their job description. Any personnel transactions at the colleges should be entered directly into the system by the generalists to avoid unnecessary paperwork.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The director of End User Computing grants human resource generalists access to existing system modules used by the central Human Resource Department that are essential to the fulfillment of their responsibilities.	July 2003
2.	The EEO / Employee Relations director ensures that the generalists receive training in the existing web-based tools, human resource system and newly accessible modules.	August 2003
3.	The EEO / Employee Relations director monitors the activities of the generalists to ensure that their time is allocated appropriately among their job functions.	December 2003 and Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 4
HUMAN RESOURCES MANAGEMENT

B. Compensation and Evaluation

Competitive salaries and employee benefits, such as retirement and health benefits, attract and retain highly qualified and competent professional, faculty and support staff. Employees should be treated equitably and understand how their salary is determined. An effective compensation plan, including benefits, is critical to attracting and retaining quality employees.

All full-time employees and those part-time employees working more than 20 hours per week for a period of at least four months or 90 consecutive days are eligible to participate in the Employees' Retirement System (ERS) of Texas benefits program offered to employees of the State of Texas and institutions of higher education. ERS offers medical insurance, Basic Term Life and AD&D ($5,000 term life with $5,000 for accidental death and dismemberment) at no cost to all employees. HCCS also pays for Long-Term Disability coverage for all benefits-eligible employees.

HCCS full-time and part-time employees with benefits do not make contributions under the Federal Insurance Contributions Act. Instead, they must participate in either the Teacher Retirement System (TRS) of Texas or an Optional Retirement Plan (ORP). An Optional Retirement Plan is an annuity contract with an insurance company. Employees who choose to become members of an Optional Retirement Plan contribute 6.65 percent of their total gross earnings and the state contributes 6 percent. The state's contribution becomes vested after one year and one day of participation. Member contributions to TRS and ORP are sheltered for federal income tax purposes only.

Secretarial, clerical, classified and professional employees participate in the TRS. Employees contribute 6.4 percent of total gross earnings and the state contributes 6 percent. The state's contribution becomes vested after five years of service.

Full-time 12-month staff become eligible for 10 paid vacation days (80 hours) if they start employment before September 30th of the fiscal year. Employees starting employment from
October 1st through February 28th earn five vacation days (40 hours) during the first year. Full-time 12-month instructional personnel must use non-instructional days as vacation in lieu of vacation.

Additional benefits unique to HCCS include employee assistance program; vision care program; legal services program; cancer/catastrophic plan; hospital cash plan; credit union; HCCS fitness center; direct deposit; and tuition fee waiver.

Performance evaluations provide a mechanism for recognizing good performance, identifying areas needing improvement and providing documentation to justify termination decisions. Performance evaluations provide feedback and counseling, assist in allocating rewards and opportunities and help plan for professional development needs. They also communicate expectations and foster commitment and mutual understanding

FINDING

Every full-time employee of HCCS has an annually renewed employment contract. Since more than 1,800 contracts must be written, distributed and filed every year, this process is time-consuming and paper-intensive. HCCS' practice does not comply with state law.

Section 51.948 of the Texas Education Code states, "the Board may enter into an employment contract with an administrator," if it is in the best interest of the college district. Section 51.948 further defines an administrator as "a person who has significant administrative duties relating to the operation of the institution, including the operation of a department, college, program or other subdivision of the institution." Although the law does not specifically prohibit contracts with other employees, the intent of this statute is to limit such contracts to senior management positions.

Since Texas is an at-will employment state, Texas employers can hire and terminate employees without notice. However, this condition does not apply to individuals hired under contract. Not only is it more difficult to terminate an employee hired under contract, the hiring and termination of employees under contract must be approved by the board. Many directors complained that despite solid documentation, the board often hesitates to terminate staff. Comments made during TSPR public forums and in surveys included:

- "There appears to be an underlying fear of being sued among administrators that often results in unqualified persons staying in jobs indefinitely, while qualified people end up so frustrated that they leave for another job outside of college.
- "There has been a practice of moving problem employees to other departments/jobs; too often a new manager has his or her hands tied and is unable to take disciplinary action."

- "Incompetent managers need to be fairly evaluated and moved or terminated."

The risk of employee disputes and litigation increases with more employees on contract because specific criteria of non-performance must be clearly stated in the contract. The time-intensive nature of the contracting process has led to a practice where only one standard form contract is used for all staff across the system.

Other state colleges have eliminated employment contracts. Among peer community colleges, Austin Community College contracts with faculty only and Alamo and North Harris Montgomery Community Colleges contract with faculty and administration, but not professional or classified staff.

Recommendation 32:

Eliminate annual employment contracts for all non-faculty staff, except senior management positions.

Discontinuing employment contracts for all non-faculty staff, except the chancellor, vice chancellors and college presidents, will eliminate the time and staff-intensive task of preparing annual contracts, give the system an avenue for terminating chronic non-performers and provide greater flexibility by reducing board involvement in hiring and firing decisions.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The interim executive director of Human Resources drafts policies that address the new contracting procedures.	July 2003
2.	The chancellor considers and approves the policies and recommendations proposed by the interim executive director of Human Resources and sends them to the board for approval.	August 2003
3.	The board approves the policies and recommendations.	August 2003
4.	The interim executive director of Human Resources holds meetings with all personnel affected by the change in policy to explain the impact the change will have on their employment with the system.	September 2003

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

HCCS has not communicated decisions and timelines for implementing the compensation plan and salary scale, which are in transition. In the past three years, the Human Resources Department conducted two specific studies. The first study, referred to as the Buck Study, provided market comparisons for selected positions to help HCCS determine if it was offering competitive pay.

A second independent study evaluated the structure and position classification of HCCS' compensation system. The compensation system study, published in January 2002, cost HCCS approximately $325,000. As a result of this study's findings, some staff received pay increases and job reclassifications, but the methodology and timeline for implementation were not communicated throughout the organization. In addition, only a portion of the study was made public. As a result, employees perceived that the Human Resources Department had too much influence in the new classifications and job descriptions; that staff was not properly included in the process; and that the outcome was haphazard and inconsistent.

Executive director positions are widely scattered throughout the pay grade system. Based on the proposed compensation schedule, executive directors can earn annual salaries ranging from $55,725 to $154,690. **Exhibit 4-13** shows the non-technology staff salary schedules in the 2002 compensation plan. The executive director positions are bolded and can be found in pay grades 12, 13, 14 and 15.

Exhibit 4-13
HCCS Full-Time Staff Salary Schedule
2002-03

Grade	Positions in Grade	Min	Mid	Max
1	None	$15,020	$18,780	$22,535
2	Human Resources Assistant Mail Center Clerk I Food Service Worker Office Assistant Data Control Assistant Building Services Assistant	$16,545	$20,710	$24,870
3	Mail Center Clerk II Learning Resources Center Driver Financial Aid Assistant Library Assistant I	$18,270	$22,840	$27,405

	Inventory Control Clerk I Shipping/Receiving Clerk Purchasing Clerk I Registration Assistant Lab Assistant I Accounts Payable Support Services Receptionist/Switchboard Operator			
4	Cashier I Dispatcher Lab Assistant II Purchasing Clerk II Commercial Truck Driving Assistant Research Assistant I Inventory Control Clerk II Maintenance Specialist I Child Care Specialist I Fitness Center Assistant	$20,400	$25,840	$30,550
5	Security Officer Student Services Specialist Theatre Technician Maintenance Specialist II Accounting Specialist Inventory Control Clerk Senior Purchasing Clerk Senior Educational Development Specialist I Grant Specialist Library Assistant II Child Care Specialist II Research Assistant II	$22,840	$28,520	$34,210
6	Studio Representative Program Specialist Buyer I Child Care Specialist Senior Library Assistant Senior Academic Advisor I Enrollment Services Technician Lab Assistant Senior Sign Language Interpreter I Banquet Cook Media Videographer Human Resources Representative I Public Information Specialist I Contract Training Specialist Workers' Compensation Representative	$25,680	$32,075	$38,470

	Educational Development Specialist II Payroll Representative I Financial Aid Analyst I Testing Specialist I Cashier II			
7	Buyer II Budget Specialist Instructional Support Specialist Financial Aid Analyst II Academic Advisor II Sign Language Interpreter II Facilities Specialist Secretary II Public Information Specialist II Senior Writer Payroll Representative II Media Planner Student Records Specialist Cash Management Representative Carpenter Testing Specialist II Registrar Associate Photographer Project Leader Bilingual Services	$29,130	$36,440	$43,750
8	Peace Officer Master Electrician Office Manager Staff Developer Master Plumber Secretary III Sign Language Interpreter Senior Project Leader Student Publications Employee Learning and OD Rep Financial Aid Analyst Senior Project Leader Electronic and Print Business Analyst I Public Info Specialist Senior Distance Education Associate Financial Analyst I Graphic Designer Research Technician Theatre Publicist Human Resources Rep II Client Specialist Safety Specialist	$33,190	$41,515	$49,840

	Cashier Senior CEU Technician Teacher Supervisor Accountant I Student Recruiter Student Placement Specialist			
9	Peace Officer Senior PR Manager Theatre Manager Theatre Production Manager Publication Services Sign Language Interpreter Supervisor AHS and Alternative Education Supervisor Human Resources Representative Senior Manager WorkKeys Service Center Capital Project Accountant Assistant Food Operations Manager Internal Auditor Administrative Assistant Executive Secretary Mailroom Services Supervisor Business Analyst Assistant Registrar Program Manager Financial Analyst II Buyer Senior Manager Employee Records Manager CTCE Business Assistant Director International Student Services Director Community Services Campus Coordinator I Manager Records Retention Manager Fiscal and Compliance Accountant II Program and Funding Analysis	$35,630	$47,605	$59,580
10	Lieutenant Program Director (Special Populations) Program Director Building and Maintenance Supervisor Research Associate I Producer Business Analyst III WorkKeys Program Coordinator Senior Executive Administrative Assistant	$41,110	$54,910	$68,720

	Educational Development Specialist Senior Faculty Credentialing Specialist Enrollment Supervisor Accountant Senior Protocol Officer Financial Analyst Senior Campus Coordinator II			
11	Director Employee Learning and Org. Development Director Corrections Director ACT Center Manager Risk Management Chief Financial Aid Officer Director Apprentice Programs Manager Capital Projects Title V Project Director Manager General Accounting Director Contract Training/Continuing Education Manager Cash Management Coordinator Learning Initiatives Director Learning Support Director Telecomm/Instructional Computing Director Safety/Loss Compensation Supervisor Manager Business Office Human Resource Generalist Director Building Operations Director Community and Adult Education Director Instructional Excellence Director Grants/Contracts Director Grants and Special Projects Manager Payroll Director Community and Research Development Director SACS Self Study Director Grants Research Associate II Assistant to Chancellor Director Workforce Contract Education Director Trio Upward Bound Manager Food Service	$47,705	$63,740	$79,780

	Manager Operations Director Workforce Program Initiatives Benefits Supervisor Director International and Veteran Student Services Manager Child Care Data Networks Supervisor			
12	Director Compensation and Benefits Chief of Police Director Employment Cable TV General Manager Director Construction Project Director Internal Audit **Executive Director Center - Training and Education** Director Maintenance Director Governmental Relations Director Institutional Research **Executive Director Foundation** Director Library/LRC Support Services Director Facilities Management Registrar Director Student Relations Assistant Dean Student Development	$55,725	$74,400	$93,080
13	Dean Academic Development Executive Director International Initiatives Executive Director Purchasing Dean Health Sciences Dean Workforce Development College Operations Officer Director EEO/Employee Relations	$65,370	$87,290	$109,215
14	Associate Vice Chancellor Workforce Development Associate Vice Chancellor Educational Development Executive Director Facilities Executive Director Distance Education Executive Director Marketing and Public Information	$77,140	$103,025	$128,905
15	Executive Director of Human Resources Executive Director Information Technology Executive Director Systems Accounting	$92,570	$123,630	$154,690

	and Ops			
16	General Counsel Vice Chancellor Finance and Administration President Vice Chancellor Institutional Development Vice Chancellor Economic Development Vice Chancellor Educational Development	$111,145	$148,395	$185,645
17	None	$133,370	$178,030	$222,690
18	None	$160,070	$213,660	$267,250
19	Chancellor	$192,040	$256,390	$320,740

Source: HCCS Human Resources Department, November 2002.

The compensation system places faculty into pay grades that define pay ranges based on market factors. Within pay grades, pay was adjusted based on years of experience. However, if existing staff were at the midpoint of the range, no adjustment was made to their pay regardless of the years of experience. **Exhibit 4-14** shows the salary schedules for faculty.

Exhibit 4-14
HCCS Full-Time Faculty Monthly Salary Schedule
2002-03

Grade	Minimum	Midpoint	Maximum
1	$3,490	$4,650	$5,810
2	$3,575	$4,765	$5,955
3	$3,660	$4,885	$6,105
4	$3,755	$5,005	$6,260
5	$3,850	$5,130	$6,415
6	$3,960	$5,280	$6,600
7	$4,040	$5,385	$6,730
8	$4,120	$5,490	$6,865
9	$4,200	$5,600	$7,000
10	$4,285	$5,715	$7,140

11	$4,370	$5,830	$7,285
12	$4,460	$5,950	$7,440

Source: HCCS Human Resources Department, November 2002.

The disparity of pay among similar positions and the lack of communication about the plan have contributed to an atmosphere of distrust and uncertainty throughout the organization, especially among faculty. Employees expressed many opinions on the topic during the public forums and in surveys:

- "Compensation/salary level policies continue to be developed which cause confusion and chaos, not to mention low employee morale - systemwide. Although expensive consultants have been hired...HR limits their ability to perform thorough audits/evaluations. Also, it appears that if the results are not acceptable...the results are not widely disseminated and another consultant is hired, with hopes that the hoped for results will be provided."
- "We have gone through three [compensation] studies...employee morale is down."
- "Get the compensation issues settled! I'm sick of hearing about it."
- "Salary structure needs to be reviewed...my salary is not competitive with similar positions outside the college or in similar schools."
- "Salary levels are fair for some areas, but still need improvement in other areas."
- "I would like to see a pay scale commensurate with skill and responsibility of the position."
- "Salaries of some employees and staff are not commensurate with job duties and skills and performance. Salary structure of some positions needs to be reviewed."
- "I would pay my employees based on their level of education. [The current system] does not motivate an individual to stay or pursue a career."

Exhibit 4-15 shows almost half of all employees believe that the compensation plan is unfair.

Exhibit 4-15
HCCS Faculty and Staff Survey Response to
"My salary level is fair for my level of work and experience."

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Don't Know	N/A

| 21.5% | 25.9% | 13.3% | 25.3% | 9.5% | 1.9% | 2.5% |

Source: TSPR Survey, November 2002.
Note: Results may not total 100 percent due to rounding.

In late 2002, HCCS management concluded the compensation system study did not produce equitable results and that HCCS may have inappropriately influenced the results. Consequently, HCCS remained without a fair and equitable compensation system, but believed it had no basis to blame the consultant. The HCCS employees involved are no longer with the system. At the December 2002 board meeting, the board approved $300,000 to conduct another compensation system study. The objective of this project is to conduct a revision process to the compensation system to "develop and implement a more effective and supported compensation system."

The board agreed to form a commission composed of representatives of staff, faculty and administrators, empowered to form subcommittees to assist in the effort and ensure that the results are not inappropriately influenced and are appropriately implemented. The board has targeted June 2003 for finalizing the compensation plan.

Recommendation 33:

Change the compensation commission structure to ensure that study results and implementation are free from internal influence and timelines are communicated to staff promptly.

HCCS should form a commission of independent outsiders or use an existing association, such as the Performance Audit Community Commission, to ensure that any internal employee groups do not inappropriately influence the results. This commission, comprised of external stakeholders, was established by the chancellor to oversee the implementation of TSPR recommendations. The responsibility of monitoring the implementation of the compensation system study would be consistent with the commission's current mission and provide the necessary independence and objectivity. Once decisions on compensation are reached, information regarding changes in compensation and the timeline implementation should be communicated to staff.

IMPLEMENTATION STRATEGIES AND TIMELINE

| 1. | The chancellor asks the Performance Audit Community Commission to accept an additional charge to oversee the | July 2003 |

	integrity and implementation of the 2003 compensation study and final compensation plan.	
2.	The Performance Audit Community Commission oversees the implementation of the compensation plan, seeking input from employee groups as needed.	August 2003
3.	A representative from the chancellor's office publishes monthly status reports on the compensation plan implementation and distributes them to all staff.	August 2003 and monthly thereafter

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

HCCS does not conduct performance evaluations annually for all positions and some faculty evaluators may have a conflict of interest.

Performance evaluations are required by HCCS policy. **Exhibit 4-16** shows the policy,which requires annual performance evaluations for full-time staff and periodic evaluations for all employees.

Exhibit 4-16
HCCS Performance Evaluation Policy
2002-03

Performance Evaluation Policy
All full-time employees shall be formally evaluated a minimum of six weeks prior to the board meeting when renewal of employment for the following contract year will be recommended by the chancellor.The college system shall routinely evaluate the performance of all college system employees. The purpose of the employee performance evaluation shall be to: • raise the quality of instruction and educational service to the citizens of the community; • raise the standards of the college system as a whole; • aid the employee to grow and improve; • determine the employee's future employment with the college system. Evaluation of employees, both professional and nonprofessional, shall be a cooperative and continuing process with formal appraisal periodically following established procedures for the evaluation process.

Source: http://www.tasb.org/policy/pol/private/101506, November 2002.

HCCS staff report that evaluations are at the discretion of supervisors and/or departments and are not conducted consistently throughout the institution. The lack of consistency of application and subsequent consequences has led to perceptions of inequitable and unfair employee-related decisions. In some instances, employees believe that performers and non-performers are treated equally, as evidenced by the comments below:

- "There needs to be an evaluation system in place...so that those who are doing a good job can be rewarded and those who are not can be removed."
- "[We need a] better evaluation process and follow-up."
- "[Certain departments] are evaluated by different criteria."
- "[We need] to have managers & supervisors give evaluations that mean something."
- "The moral[e] is at the lowest I have seen and as long as the evaluation process does not allow for removal it will just get worse."

Of the more than 5,300 HCCS employees, only 56.3 percent received performance appraisals last year. Although the problem is more prevalent with non-faculty positions, some full-time faculty members did not receive a performance evaluation in 2001-02. Approximately 92 percent of full-time faculty received performance evaluations last year. The faculty evaluation instrument has a student component, a self-evaluation, a supervisor evaluation and, every three years, a complete faculty portfolio evaluation.

While an effective evaluation instrument for full-time faculty exists, the process appears compromised because department chairs, elected by faculty members being evaluated, conduct the review. Chairs who wish to be re-elected to their positions have a potential conflict of interest when evaluating faculty.

In some community colleges, department chairs serve as administrators; in others, department chairs are faculty members who have been appointed to their position or went through a competitive process. To avoid a potential conflict of interest, some community colleges have deans evaluate faculty rather than elected department chairs.

Frequent and balanced performance feedback free of potential bias serves as one of the most effective leadership tools for improving productivity and increasing faculty and non-faculty employee satisfaction. According to the Society for Human Resource Management, emerging data show that feedback provides a key driver for continuous learning, creativity and, ultimately, customer satisfaction.

Exhibit 4-17 illustrates a best practice for implementing performance appraisals.

Exhibit 4-17
Best Practice Performance Appraisal Process

Step	Description
Step 1	HR department designs the performance appraisal system with the aid, input, direction and support of all levels of management and makes the forms and directions available online.
Step 2	HR department trains appraisers in how to use the instrument to evaluate their staff and how to communicate the appraisal to employees.
Step 3	Supervisors/appraisers evaluate staff based on the duties listed in the job description and the criteria/standards communicated to the staff at the beginning of the current appraisal period. Simultaneously, employees complete the same document, evaluating themselves with the same criteria used by their supervisor. This helps to reduce conflict because the employee has given thought to the same appraisal criteria as their manager.
Step 4	Supervisors/appraisers consult with their manager on all staff appraisals performed.
Step 5	Appraisers and employees meet to discuss and develop a consensus of the performance for the past appraisal period and establish goals and training objectives for the next appraisal period. The results of the appraisal interview will be written (copies to be kept by appraiser and employee).
Step 6	All documents will be forwarded to human resources to be filed and retained.

Source: Society for Human Resources Management, September 2002.

Recommendation 34:

Institute annual evaluations of all faculty and staff by evaluators without any real or perceived conflict of interest.

An effective evaluation process ties closely to the compensation plan, so that employees receive compensation adjustments based on performance.

In designing or improving the evaluation instruments for non-faculty positions, HCCS must base criteria on the essential functions and the position qualifications stated in a current job description. This information sets the tone for selecting sound criteria and establishing a basis for good communications. The criteria used to assess the performance of

individuals or group needs should be stated in measurable, observable and/or behavioral terms. The appraisal instrument should address each of the essential functions found in the job description and the desired outcomes for the period of time in question.

The goal of feedback is to get the employee to either maintain or enhance positive performance or to change or correct negative performance. Supervisors must outline the tasks to be accomplished and expected standards of performance to achieve this goal. They must identify specific actions necessary to achieve performance standards and also establish a time frame. Most importantly, they must state what will happen if the specified action does not occur.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The director of Employee Relations works with the director of Employee Learning and Development to develop training on performance evaluations for all supervisors and department managers.	July 2003
2.	The director of Employee Learning and Development coordinates training of all department managers in the establishment of yearly performance standards and to conduct of performance evaluations.	August 2003
3.	Supervisors and department managers conduct performance evaluations for all subordinates.	Yearly
4.	The executive director of Human Resources drafts a policy to prohibit elected chairs or any other evaluator with a real or perceived conflict of interest from conducting performance evaluations of faculty and submits it to the chancellor for approval.	August 2003
5.	The board adopts the conflict of interest policy for performance evaluations.	September 2003
6.	The chancellor designates deans to conduct faculty performance evaluations.	September 2003

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 4
HUMAN RESOURCES MANAGEMENT

C. Non-Faculty Recruitment and Selection Process

An effective recruitment and selection process identifies candidates best qualified to fill available positions. A thorough review must include candidates' experience, education, potential and the quality of his or her past performance.

The hiring process at HCCS involves several individuals. Responsibilities for hiring and evaluating candidates are spread among the chancellor, board, Human Resources Department, the new hire's supervisor and a hiring screening committee. The chancellor recommends candidates to the board for approval; others involved in the candidate evaluation process assist the chancellor in making that recommendation.

The director of Employment Services oversees hiring throughout the system. The Employment Services Unit posts all open vacant positions in the HR department, at each college campus, on the HCCS Web site, in the local newspapers, with community and state organizations and in national publications when applicable.

The HCCS Employment Services Unit manages the evaluation process to ensure that the process follows applicable procedures and regulations, including the collection of all required position evaluation documentation. The Employment Services Unit does not evaluate candidates. Employment Services also:

- drafts/finalizes recruitment materials;
- reviews/finalizes/approves the evaluation committee membership;
- drafts/finalizes evaluation rating form materials;
- records completed initial evaluation form results;
- conducts the EEO initial and final review;
- corresponds with applicants;
- assures the completion of the evaluation process;
- determines salary placement;
- extends the offer of employment; and
- prepares actions for board approval.

The screening committees are required for all full-time faculty positions and for non-faculty positions at salary level grade 13 or above. When an opening occurs for one of these positions, a screening committee is created. The committee consists of individuals with knowledge of the position, so the composition depends on the specific position being filled.

The screening committee's responsibilities include attending the orientation meeting, evaluating applications, participating in interviews, completing an evaluation form for each candidate as a committee and forwarding it to the hiring authority for approval. Depending on the organization, only a president, vice chancellor or chancellor has final hiring authority.

FINDING

HCCS staff members spend significant time obtaining unnecessary signatures in the hiring process. Even though only one signature is required for most hires, HCCS staff said that as many as six signatures have been obtained to hire a new employee. HR procedure only requires the signature of the hiring authority, as determined by the individual college campus. The hiring authority is often the college president, but can be a vice chancellor or other position deemed appropriate by the particular campus. When the offered salary goes above the first quartile for the position range, the director of Human Resources signature also is required to sign. The problem is not that HCCS requires too many signatures but the requirements have not been clearly communicated to staff.

Some institutions use tools to help remind staff of procedural requirements. **Exhibit 4-18** shows a sample hiring signature matrix with examples of position types and signature requirements.

Exhibit 4-18
Sample Hiring Signature Matrix

Position Hired	Location	Signatures Required
Faculty	College Campus	• Hiring Authority • *Dean (Optional)*
Clerical	College Campus	• Hiring Authority • *Supervisor (Optional)*
Clerical	System	• Director • *Supervisor (Optional)*

Source: Gibson Consulting Group, Inc., November 2002.

Recommendation 35:

Clarify the requirements for obtaining hiring approval and communicate the procedure to all staff.

Developing a matrix that can be posted on the HR Web site to communicate the required signatures for each position.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The director of Employment Services develops a hiring signature matrix.	July 2003
2.	HCCS posts the matrix on the Human Resource department's Web site and distributes the information to all staff.	August 2003

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 4
HUMAN RESOURCES MANAGEMENT

D. Employee Relations and Grievance Process

Employment Relations should ensure that its staff members know their rights as employees and policies that affect them. The office also serves as a means through which employees can exercise their rights, such as filing complaints and grievances. At HCCS, the director of Employee Relations and the five generalists in the department manage employee relations.

FINDING

HCCS does not use its informal dispute resolution processes. Most employee disputes and complaints follow a formal grievance process. HCCS procedure states that informal resolution of complaints is encouraged. However, the climate has prompted staff members to file grievances for all types of complaints. Common grievance causes, which are often rooted in interpersonal conflict and could be handled outside of the formal grievance process, include workplace conflict; indifferent treatment; supervisor complaint; and excessive workload.

Because the Level I procedure is to file a grievance, many staff go directly to the formal process, without attempting to resolve interpersonal conflicts informally. **Exhibit 4-19** shows HCCS's grievance procedure.

Exhibit 4-19
HCCS Grievance Procedure
As of April 2001

Stage	Process
Level 1	If the outcome of the informal resolution process is not to the employee's satisfaction, the employee may meet with the next level supervisor to discuss the complaint and must identify the complaint in writing on the HCCS grievance form to the next level supervisor. The complainant must request this meeting within ten (10) business days after the informal meeting with the supervisor. At or prior to the conference, it shall be the responsibility of the employee to submit to the next level supervisor the written complaint and other documentation that the employee believes is relevant. The next level supervisor shall respond in writing to the employee, within ten (10) business days of the complaint conference. Both the employee's complaint and the next level supervisor's response shall be copied to the human resources generalist assigned to that college or division.

Level 2	If the outcome of the complaint conference at Level One is not to the employee's satisfaction, the employee has ten (10) business days after the written decision of the second level supervisor to request a meeting with the college president, vice chancellor or other equivalent administrator. The administrator will advise the human resources generalist at or prior to the conference. It shall be the responsibility of the employee to submit to the administrator the written complaint and other documentation, which the employee believes is relevant. The administrator shall respond in writing to the employee, within ten (10) business days of the complaint conference. Both the employee's complaint and the administrator's response shall be copied to the human resources generalist assigned to that college or division. At the administrator's discretion, or at the employee's request, a three-employee panel to review the complaint may be initiated to render a Level Two decision.
Panel	The three employees on the committee shall be impartial and shall consist of one full-time employee chosen by the complaining party, one full-time employee chosen by administrator and one full-time employee chosen by mutual agreement of the other two-committee members. The human resources generalist shall select panel members, if parties or panel members already selected are unable or unwilling to select remaining panel members. One member of the committee will represent management; two members will represent non-management. Panel members can be chosen from across the system and should not be from the complainant's department. The panel members cannot be related to the employee either by consanguinity or affinity. Under the guidance of the human resource generalist, the panel will hold a hearing at which the complaining parties may present documents, witnesses and argument to the panel, but cross-examination or questioning of witnesses or the parties by the parties or parties' agents is not permitted. The committee shall issue a written decision, within ten (10) business days of the hearing
Level 3	If the outcome at Level Two is not to the employee's satisfaction, the employee may meet with the chancellor or designee to discuss the complaint and must request this meeting within ten (10) business days after receiving the second level administrator's decision. At or prior to the conference, the employee shall submit the complete written documentation of the complaint to the chancellor or designee and, if desired, written comments regarding the prior level decision. The chancellor or designee shall respond in writing to the employee, within ten (10) business days of the complaint conference. The complaint is considered concluded after the chancellor gives a final disposition.
Level 4	An employee may appeal the chancellor's decision to the Board during the hearing of the citizens' portion of a meeting of the Board.

Formal Hearing	The purpose of the hearing is to afford a fair investigation by the executive director of Human Resources on the merits of each proposal for dismissal during the term of a contract or grievance involving the loss or forfeiture of a property or liberty interest and to make a written recommendation to the chancellor concerning the disposition of the matter. The recommendation shall contain proposed findings of what occurred; and, if remedies are recommended, then these should be specific and stated. The chancellor may adapt, modify or reject the hearing report. It is not required that the hearings be conducted under any formal rules of evidence. The system shall maintain a tape recording of all hearings. The failure to make and maintain a tape recording shall not invalidate the hearing.

Source: HCCS Human Resources Department.

In 2001-02, 62 employees, representing more than 1 percent of HCCS employees filed grievances. Individuals at public forums and through surveys discussed the ineffectiveness of the HCCS grievance process:

- "The Grievance Procedure is not geared to help solve issues."
- "Grievance procedures take too long. The process is not always clear."
- "Employee Relations and Grievances should have a better system; should include mediation."

Resolving complaints and issues before they reach a formal grievance fosters employee good will and frees time for intermediate supervisors and other administrators to focus on other aspects of their jobs.

Recommendation 36:

Use the informal dispute resolution process as the first stage in the grievance process.

An informal dispute resolution process allows employees and their immediate supervisors to work together to solve problems. This also frees up intermediate supervisor time. Often this process enables an employee to feel that he or she has been listened to and preserves the employer-employee relationship.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The executive director of Human Resources speaks with all supervisors on the importance of promptly dealing with employee complaints and working toward solutions.	July 2003

	informally rather than letting things proceed to a formal grievance.	
2.	The executive director of Human Resources, or other Human Resource Department designee, provides training in conflict resolution to supervisors on an as-needed basis to assist them in resolving conflicts informally.	September 2003 and Ongoing
3.	The Human Resources Department participates in the informal dispute resolution process whenever called upon by supervisors or employees.	September 2003 and Ongoing
4.	The Human Resources Department monitors the number of formal grievances filed and analyzes the data to determine if the emphasis has been successful.	October 2003 and Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

HCCS conducts exit interviews for employees, but does not tabulate or analyze results tabulated. In addition, HCCS does not maintain copies of exit interviews. The Employee Relations Unit conducts exit interviews with departing employees. Staff complete the exit interview questionnaire and return it to the Employee Relations Unit. If copies are kept, they are placed directly in employee files but results are not compiled or maintained elsewhere. As a result, HCCS does not use information garnered from the interviews for continuous improvement.

Exhibit 4-20 shows that HCCS gathers useful information on the exit interview questionnaire, but without compiling and analyzing separation data, HCCS cannot effectively identify and assess consensual views on specific conditions or patterns of management behavior which may have contributed to employees' decisions to leave.

Exhibit 4-20
HCCS Exit Questionnaire

Item	Details Collected	
Demographic Info	- Name - Department - Title	- Supervisor - Length of employment - Race/ethnicity

Reason for leaving	• Promotion • Transfer • Retirement • Dismissal • Reduction in staff	• Resignation • Demotion • Transfer to other institution of Higher Education
Contributing Factors	• Better job opportunity • Supervision • Family circumstances • Self-Employment • Content of work • Going to school • Salary	• Working conditions • Commuting distance • Health • Moving from area • Lack of opportunity • Better fringe benefits • Other
General Ratings (Excellent, Good, Fair, Poor, No Opinion)	• Rate of pay • Holidays • Retirement plan • Tuition waiver • Medical insurance • Life insurance • Dental plan	• Sick leave • Vacation leave • Parking • EAP • FMLA • LTD/STD
Communication Ratings (Excellent, Good, Fair, Poor, No Opinion)	• General orientation to department • Department procedures and policies	• Specific knowledge of your job • Between you and your supervisor
Department Ratings (Excellent, Good, Fair, Poor, No Opinion)	• Friendliness and cooperation • Cooperation within dept. • Cooperation with other depts. • On-the-job training	• Equipment provided • Orientation to the job • Physical working conditions
Workload	• Too great • Too light	• About right • Varied
Supervisory action	• Follows policies and	• Communicates well

|		
(Almost always, Usually, Sometimes, Never)	procedures • Demonstrates fair and equal treatment • Provides recognition on the job	with subordinates • Develops cooperation • Resolves complaints and problems
Supervisory Rating (Good, Satisfactory, Unsatisfactory)	• Technical competency • Management skills • Treatment - respect and dignity • Handling of complaints or grievances	• Administered policies in a consistent manner • Able to discuss problems • Clarity of instruction • Fairness
On the job experiences(Yes or No)	• Harassment • Favoritism of other staff • Unfair promotional practices	• Unfair treatment • Threats for filing a grievance
Other questions	• Did you receive a current job description for your position when you were employed? • Were your job responsibilities fully and correctly explained to you when you were employed? If no, please explain. • Could we have made any improvements that might have influenced you to stay on the job? • Did you attend the 2-day New Employee Orientation Program? If yes, did it meet your needs as a new employee? • Are you leaving for any reason which would appear to reflect discrimination on the basis of race, color, sex, religion, national origin, handicap or status as a Vietnam-era veteran? If yes, did you attempt to seek remedy of the situation? • What suggestions would you make for improving the following: working conditions, employee relations, supervision of office, productivity and efficiency? • Would you recommend this department to a friend as a place to work?	

Source: HCCS Human Resources Department, November 2002.

Human resources departments that conduct exit interviews become more informed about the effectiveness of various human resource management functions in individual departments or colleges. Much like any employee opinion survey, exit interviews serve as a prime opportunity to gain candid information on employment conditions within an organization. Exit interview information may be used to help identify areas of concern in employment conditions, such as: What trends are evident from the exit interviews, such as poor supervision or inadequate health insurance benefits? Is the organization losing its best employees because the salary practices have not kept up with the marketplace?

By identifying any problem areas or supervisory practices, good exit interview practices may help avoid costly legal action by a disgruntled employee.

After compiling data, the feedback typically is shared with the departing employee's manager and, collectively, with the organization. **Exhibits 4-21** and **4-22** show sample management reports that are produced with exit interview data.

Exhibit 4-21
Sample Exit Interview Analysis Report
Number of Department Voluntary Departures Compared to System
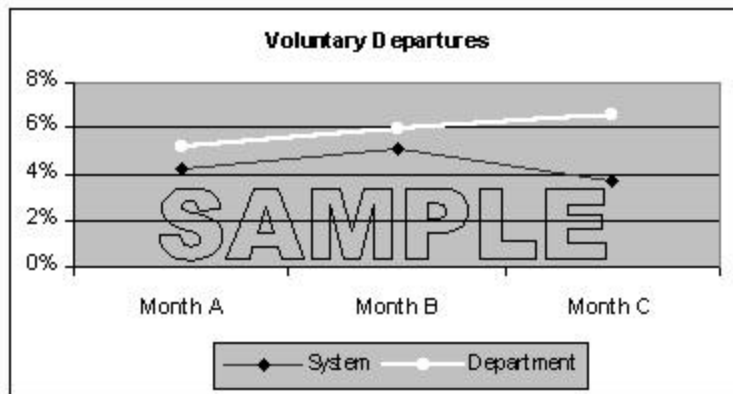
Source: Gibson Consulting Group, Inc.

Exhibit 4-22
Sample Exit Interview Analysis Report

Reasons for Leaving

Source: Gibson Consulting Group, Inc.

Recommendation 37:

Maintain and quarterly analyze exit interview data.

Develop a method for compiling exit interview information so that it can be used to identify areas that may require further investigation or possible trends that may be leading to turnover. The data should be reviewed quarterly by the director of Employee Relations to assist HCCS in lowering its turnover rate and improving operational and management practices. The director of Employee Relations then should meet with department heads affected by large turnover to create strategies on improving turnover rates in their departments.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The director of Employee Relations identifies the requirements for exit interview data and management reports.	July 2003
2.	The manager of Applications Development develops a database to compile and analyze the exit interview data.	September 2003
3.	The Employee Relations Unit enters exit interview data.	September 2003 and Ongoing
4.	The director of Employee Relations produces exit interview reports and analyzes the data to identify trends.	Quarterly
5.	The director of Employee Relations reports the results of this analysis to the Cabinet and department heads with turnover issues.	Quarterly
6.	The director of Employee Relations meets with department heads experiencing large turnover to assist them in creating	As necessary

	strategies for addressing identified turnover issues.	
7.	The director of Employee Relations and affected department heads communicate the results of these turnover strategies to the Cabinet.	Quarterly

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 5
FINANCIAL MANAGEMENT

This chapter reviews the financial management functions of Houston Community College System (HCCS) in the following sections:

A. Budget Planning, Monitoring and Review
B. Internal and External Auditing
C. Accounts Payable and Payroll Management
D. Accounting Procedures and Internal Financial Controls
E. Reporting

Community colleges must practice sound financial management to make the best use of their limited resources and to plan for the future. Effective financial management ensures that good internal controls exist, that technology is used to increase productivity and that reports are generated to measure goals against results.

BACKGROUND

Community colleges are required to manage their financial operations and produce an annual report in accordance with the Texas Higher Education Coordinating Board (THECB) *Annual Financial Reporting Requirements for Texas Public Community Colleges.* These requirements conform to accepted accounting principles and the accounting principles of the National Association of Colleges and University Business Officers, as well as to pronouncements of the Governmental Accounting Standards Board (GASB). In addition, community colleges must report certain key information to federal, state and private organizations.

Texas community colleges are required to implement GASB Statements 34 and 35 in preparing their annual financial reports. HCCS' financial statements for 2001-02 differ significantly from those of previous years because they focus on its overall financial condition instead of on individual funds and fund groups. The basic financial statements resemble the corporate presentation model, and HCCS' fiscal 2002 activities are consolidated into one column total.

Three basic financial statements are required: the statement of net assets, the statement of cash flows and the statement of revenues, expenses and changes in net assets. Together the reports show whether HCCS' financial position has improved because of the year's activities. "Depreciation" (a decline in the value of assets due to wear, deterioration or obsolescence) is an important part of this picture.

For comparative purposes in this report, longitudinal financial information for HCCS is presented in the financial statement format used before the implementation of GASB 34 and 35 fund accounting. Comparative information between HCCS and the peer colleges for 2001-02 is presented in the financial statement format used after implementing GASB 34 and 35.

Texas community colleges receive revenues from state appropriations, taxes, tuition and fees, grants and contracts, investments, auxiliary enterprises and other miscellaneous sources. State appropriations are formula-based, according to instructional contact hours and course-weighting factors. State contributions to insurance and retirement funds also affect state appropriations.

Community colleges can levy property taxes to fund their current operations and debt service requirements. Students pay tuition and fees based on number of semester hours, course selection and other fees. Grants and contracts come from federal, state and local sources and are generally restricted for specific program use. Auxiliary services charge fees for student, faculty and staff activities.

HCCS receives revenue from all these sources except for debt service taxes. The system does not have any bonded debt that is paid by taxes and does not levy a debt service tax. HCCS' bonded debt is paid with current revenues from student fees. Revenues are accounted for in fund groups, based on the purpose of the revenues and restrictions on their use. Current funds are those used for current operating and maintenance purposes.

Current funds comprise unrestricted, auxiliary and restricted fund groups. Unrestricted funds have no use limits and are used for general operations. Auxiliary funds account for charges related to the cost of services provided and include bookstores, mail services, copy centers and food services. Restricted funds can be used only for the specific purpose designated by the source of the funds.

Revenues in current, unrestricted funds are used for the general operation of the system, and they come from state appropriations, tuition and fees, tax revenues and other sources. **Exhibit 5-1** compares HCCS revenue sources in the current, unrestricted fund and the percentage change for 1997-98 through 2001-02. Of the three primary sources of revenue, taxes and tuition and fees have grown by larger percentages than state appropriations, which have increased by only 17.2 percent.

Exhibit 5-1
HCCS Revenues - Current, Unrestricted Fund
1997-98 through 2001-02

Revenues	1997-98 (Actual)	1998-99 (Actual)	1999-2000 (Actual)	2000-01 (Actual)	2001-02 (Budget)	Percent Change from 1997-98
Tuition and Fees	$39,945,374	$42,643,293	$47,382,343	$54,268,192	$56,706,014	42.0%
Property Taxes	$33,484,043	$35,637,665	$41,010,516	$53,318,062	$54,493,158	62.7%
Federal Grants and Contracts	$464,377	$497,121	$563,416	$565,979	$0	(100.0%)
State Grants and Contracts	$6,537	$12,155	$43,725	$12,512	$0	(100.0%)
Local Grants and Contracts	$1,326	$816	$4,941	$0	$0	(100.0%)
Net Change in the Fair Value of Investments	$0	$11,641	$2,722	($1,128)	$0	*
Sales and Services of Educational Activities	$140,430	$142,229	$88,914	$376,515	$0	(100.0%)
Other Interest Income	$2,462,545	$2,143,306	$2,046,752	$2,232,024	$1,900,000	(22.8%)
Other Sources	$1,537,895	$1,685,065	$538,682	$409,524	$0	(100.0%)
State Appropriations	$57,002,750	$59,665,243	$59,679,472	$61,606,827	$66,781,338	17.2%
Total	**$135,045,277**	**$142,438,534**	**$151,361,483**	**$172,788,507**	**$179,880,510**	**33.2%**

Source: State Auditor's Office (SAO), 1997-98 through 2000-01; HCCS, adopted budget, 2001-02.
*Unable to calculate increase from zero base year.

For the 2001-02 budget, state appropriations are 37.1 percent of total revenue, tuition and fees are 31.5 percent and property taxes are 30.3 percent. HCCS adopted a balanced budget for 2002-03 with a revenue budget increase of 9.4 percent to $196,871,762. For 2002-03, state appropriations are 33.3 percent of total revenue, tuition and fees are 35.9 percent and property taxes are 30.0 percent.

For comparison, HCCS chose Alamo Community College District, Austin Community College, Dallas County Community College District and North Harris Montgomery Community College District as peers. **Exhibit 5-2** shows the revenues for HCCS and its peers as a percent of total revenue. HCCS gets the highest percent of total revenue from tuition and fees among the peers. Compared to the peers, Austin receives the largest percent of revenue from state appropriations.

Exhibit 5-2
Revenues as a Percent of Total
HCCS and Peer Colleges
2001-02

Category	Austin	Dallas	Alamo	HCCS	North Harris Montgomery
State Appropriations	39.0%	37.0%	34.1%	**34.0%**	29.6%
Tuition and Fees	25.7%	15.3%	13.2%	**19.2%**	11.8%
Maintenance Taxes	19.1%	26.8%	21.1%	**25.4%**	27.8%
Debt Service Taxes	0.0%	0.0%	3.4%	**0.0%**	12.5%
Federal Grants and Contracts	9.2%	12.2%	23.4%	**0.0%**	11.3%
State Grants and Contracts	1.9%	1.2%	1.9%	**0.0%**	2.5%
Local Grants and Contracts	0.2%	0.0%	0.2%	**0.0%**	0.0%
Private Gifts, Grants and Contracts	0.5%	1.0%	0.5%	**0.1%**	0.0%
Auxiliary Enterprises	0.7%	2.5%	1.1%	**1.2%**	2.3%
Sales and Services of Educational Activities	0.0%	0.2%	0.0%	**0.0%**	0.0%
Investment Income	0.8%	3.4%	0.3%	**0.9%**	1.5%
Other Sources	2.9%	0.4%	0.7%	**19.1%**	0.7%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Source: HCCS and peers audited financial statements, 2001-02.
Note: Totals may not add to 100 due to rounding.

Community colleges levy property taxes for funding. The tax generally has a maintenance and operations (M&O) component and an interest and

sinking (I&S) component. The M&O component of the tax cannot exceed 50 cents per $100 of assessed property value in most community colleges. Voters authorize the I&S component, limited to 50 cents per $100 of assessed property value, to pay the bonded debt when they pass a bond issue.

County appraisal districts appraise all property that community colleges tax. All taxing entities adopt a tax rate that is applied to the assessed value, minus tax exemptions, to determine the amount of the tax. Most community colleges contract with outside entities to collect taxes, and a tax attorney usually collects delinquent taxes on their behalf.

HCCS contracts with Fort Bend County, Missouri City and Harris County for tax collection. HCCS has taxing authority in all three jurisdictions: Fort Bend County charges 20 cents per account; Missouri City charges 95 cents per account plus a fee of 50 cents for delinquent accounts; and Harris County charges 1 percent of collections. HCCS uses all three entities for delinquent tax collection.

Exhibit 5-3 shows the change in property value and tax rate for 1998-99 through 2002-03. Assessed property values have increased by 37.2 percent, and the tax rate has increased by 22.9 percent since 1998-99. The 2002-03 tax levy increased by 72 percent compared to 1998-99.

Exhibit 5-3
HCCS Appraised Values, Tax Levy and Tax Collections
1998-99 through 2002-03

Tax	1998-99	1999-2000	2000-01	2001-02	2002-03
Assessed property value	$53,324,644,806	$58,387,280,164	$64,604,968,873	$73,053,582,789	$73,186,222,171
M&O tax rate	$0.0662	$0.0698	$0.0823	$0.0813	$0.0813
I&S tax rate	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000
Tax rate per $100 value	$0.0662	$0.0698	$0.0823	$0.0813	$0.0813
Tax levy	$35,274,253	$40,773,764	$53,191,209	$59,425,118	$60,667,224
Total tax collections	$35,637,665	$41,010,516	$53,318,062	$59,652,095	N/A

Percent collected to levy	101.0%	100.6%	100.2%	100.4%	N/A

Exhibit 5-4 shows the 2001-02 property value, tax rate, tax levy, tax collections and percentage of tax collections to tax levy of HCCS and its peers.

Exhibit 5-4
Appraised Values, Tax Levy and Tax Collections
HCCS and Peer Colleges
2001-02

	Dallas	North Harris Montgomery	Alamo	HCCS	Austin
Assessed property value	$127,941,747,364	$58,509,951,482	$51,666,763,551	**$73,053,582,789**	$43,806,049,320
M&O tax rate	$0.0600	$0.0760	$0.0898	**$0.0813**	$0.0500
I&S tax rate	$0.0000	$0.0340	$0.0148	**$0.0000**	$0.0000
Tax rate per $100 value	$0.0600	$0.1100	$0.1046	**$0.0813**	$0.0500
Tax levy	$74,981,567	$64,832,865	$54,049,957	**$59,425,118**	$23,323,424
Total tax collections	$76,327,366	$64,160,852	$54,370,366	**$59,652,095**	$23,128,472
Percent collected to levy	**101.8%**	**99.0%**	**100.6%**	**100.4%**	**99.2%**

Community colleges use these revenues to support their educational and general operations. Expenditures are categorized by purpose and object of the expenditure. Purposes are classified as instruction, public service, academic support, student services, institutional support, operations and maintenance of plant and scholarships and fellowships, before GASB 34 and 35. The GASB pronouncements add auxiliary services and depreciation as functional classifications. **Exhibit 5-5** shows the types of expenditures included in each of these functional areas.

Exhibit 5-5
Functional Expenditures

Functional Area	Description
Instruction	Expenditures for all activities that are part of an institution's instructional program, including expenditures for: credit and non-credit courses; academic, vocational and technical instruction; developmental and tutorial instruction; and regular, special and extension sessions.
Research	Expenditures separately budgeted for all activities specifically organized to produce research outcomes.
Public Service	Expenditures for activities established primarily to provide non-instructional services to individuals and groups external to the institution.
Academic Support	Expenditures to provide support services for the institution's primary missions - instruction, research and public service. These include: retention, preservation and display of educational materials; academic administration; technical support; and support for course and curriculum development.
Student Services	Expenditures for admissions and registrar and activities that primarily contribute to students' emotional and physical well-being and to their intellectual, cultural and social development outside the formal instructional program.
Institutional Support	Expenditures for central executive management and long-range planning; fiscal operations; administrative data processing; space management; personnel and records; support activities that provide procurement, storage, safety, security, printing and transportation services; support services for faculty and staff; community and alumni relations; and bad debt related to tuition and fee revenue.
Operations and Maintenance of	Expenditures of current funds for the operation and maintenance of the physical plant net of amounts charged to

Plant	auxiliary operations.
Scholarships and Fellowships	Expenditures for scholarships and fellowships, including tuition remissions and exemptions, in grants to students either from selection by the institution or from an entitlement program.
Auxiliary Enterprises	Expenditures for the operation of auxiliary enterprises, including operations and maintenance and institutional support.
Depreciation	Recognition of the decrease in value of capital assets through wear, deterioration or obsolescence.

Source: Texas Higher Education Coordinating Board (THECB), Annual Financial Reporting Requirements and Governmental Accounting Standards Board (GASB) 34/35 Implementation Guide.

These expenditures are for salaries and wages, staff benefits, other expenses and capital outlay. In 2001-02, HCCS expended 53.6 percent of total expenditures on salaries and wages, 8.7 percent for staff benefits, 33.6 percent for other expenses and 4.1 percent for capital outlay without including depreciation.

Exhibit 5-6 shows HCCS' expenditures for 1997-98 through 2001-02, by purpose, for the current, unrestricted fund. For comparison, these expenditures exclude mandatory transfers, other transfers, depreciation and capital lease expenditures. Mandatory transfers are those required by the state to be used for a specific purpose, such as the Texas Public Education Grant program, which requires a percentage of tuition and fees be used for student scholarships or loans. For HCCS, other transfers from the current, unrestricted fund include debt service payments made from the plant funds. In 2001-02, HCCS changed how it reports certain expenditures related to corporate training, continuing education, adult education and technical training courses. This change significantly decreased public service expenditures and increased instruction expenditures.

Exhibit 5-6
HCCS Expenditures - Current, Unrestricted Fund
1997-98 through 2001-02

Expenditure Purpose	1997-98	1998-99	1999-2000	2000-01	2001-02	Percent Change from 1997-98

Instruction	$52,458,944	$53,540,415	$67,426,925	$71,067,590	$87,290,188	66.4%
Public Service	$6,901,185	$6,868,476	$7,423,502	$8,416,669	$204,697	(97.0%)
Academic Support	$8,882,629	$10,906,242	$5,832,909	$6,445,466	$7,237,976	(18.5%)
Student Services	$10,155,672	$10,580,837	$14,640,998	$15,632,373	$17,270,884	70.1%
Institutional Support	$30,930,176	$33,790,419	$27,789,497	$34,953,534	$35,923,361	16.1%
Operation and Maintenance of Plant	$7,116,833	$15,793,423	$18,148,636	$18,403,384	$18,092,209	154.2%
Scholarships and Fellowships	$2,611,553	$2,794,634	$2,702,318	$2,877,581	$3,792,352	45.2%
Total	**$119,056,992**	**$134,274,446**	**$143,964,785**	**$157,796,597**	**$169,811,667**	**42.6%**

Source: SAO, 1997-98 through 2000-01; HCCS, THECB cost report, 2002.

HCCS and peers' expenses by function are presented in **Exhibit 5-7** as a percent of total operating expenses. HCCS spends a lower percentage of total expenses than any of its peers on instruction and a greater percentage of total expenditures than any peer on public service, student services, institutional support, operations and maintenance of plant and depreciation.

Exhibit 5-7
Expenses as a Percent of Total Operating Expenses
HCCS and Peer Colleges
2001-02

Function	Austin	Dallas	Alamo	North Harris Montgomery	HCCS
Instruction	47.9%	43.3%	42.4%	41.8%	**39.6%**
Public Service	2.5%	3.5%	1.7%	1.9%	**6.9%**
Academic Support	7.7%	5.6%	8.3%	11.7%	**3.6%**
Student Services	8.9%	9.2%	9.9%	8.8%	**10.8%**

Institutional Support	15.2%	16.2%	11.6%	16.1%	**16.8%**
Operation and Maintenance of Plant	7.3%	7.2%	8.1%	6.6%	**10.0%**
Scholarships	5.0%	8.0%	13.9%	6.8%	**7.6%**
Auxiliary Enterprises	0.8%	3.7%	0.8%	2.9%	**0.6%**
Depreciation	4.7%	3.3%	3.2%	3.6%	**4.0%**
Total Operating Expense	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Source: HCCS and peer colleges' 2001-02 audited financial statements.
Note: Totals may not add to 100 percent due to rounding.

HCCS' current, unrestricted fund balance was $20.7 million as of August 31, 2001. This is 12 percent of 2000-01 total expenditures of $173.5 million and in line with recommendations from bond rating firms for optimum fund balances. The system has an additional 41 cents per $100 valuation of tax effort available for current operations. According to the annual audit report, HCCS is limited to 50 cents per $100 valuation of taxes to support current operations. HCCS' total bonded indebtedness is paid with student fee revenue, and HCCS does not levy a debt service tax. Therefore, HCCS has 50 cents per $100 valuation of tax effort available for debt service expenditures related to future bond referendums approved by the voters. The 50 cents per $100 valuation is the maximum debt service tax rate HCCS can levy in the future.

Although the ending fund balance for 2000-01 has decreased by 40 percent compared to the beginning fund balance in 1998-99, the deficit spending pattern has decreased significantly.

HCCS has decreased deficit spending in the current, unrestricted fund by 91.5 percent since 1997-98. While total revenues have increased by 21.3 percent, total outflows from the current, unrestricted fund have increased 15.4 percent. HCCS adopted a balanced budget for 2001-02, and the vice chancellor for Finance and Administration has projected a 2001-02 surplus of $6.7 million, of which $6 million is to be transferred to the unexpended plant fund. The vice chancellor for Finance and Administration attributes the surplus to conservative budgeting for revenues and expenditures. **Exhibit 5-8** shows summary financial information for the current, unrestricted fund for 1998-99 through 2000-01.

Exhibit 5-8
HCCS Summary Financial Information

Current, Unrestricted Fund
1998-99 through 2000-01

Financial Statement Item	1998-99	1999-2000	2000-01	Percent Change from 1998-99
Beginning Fund Balance	**$34,456,789**	**$26,554,780**	**$21,349,424**	**(38.0%)**
Revenues	**$142,438,534**	**$151,361,483**	**$172,788,507**	**21.3%**
Expenditures	($134,274,446)	($143,964,785)	($157,796,597)	17.5%
Capital Lease and Other	($1,505,006)	($1,774,939)	($3,527,140)	134.4%
Mandatory Transfers	($1,244,151)	($1,239,870)	($1,421,751)	14.3%
Other Transfers	($13,316,940)	($9,587,245)	($10,713,009)	(19.6%)
Total Outflows	**($150,340,543)**	**($156,566,839)**	**($173,458,497)**	**15.4%**
Ending Fund Balance	**$26,554,780**	**$21,349,424**	**$20,679,434**	**(22.1%)**
Increase (Decrease) in Fund Balance	($7,902,009)	($5,205,356)	($669,990)	(91.5%)

Source: HCCS, audited financial statements, exhibit c, 1998-99 through 2000-01.

The deficits incurred by HCCS from 1998-99 through 2000-01 were less than the capital outlay expenditures for the same period. Capital outlays for 1998-99 through 2000-01 are included in expenditures and were $9.9 million, $6.0 million and $11.4 million, respectively. Capital outlay generally represents one-time expenditures for additions to the physical plant and equipment, not continuing operating expenditures. Deficit spending for capital outlay often reflects a planned use of fund balance and is not an indication of poor financial management.

To determine public perception of HCCS' financial management, the review team conducted the 2002 Houston Community College System Public Input Survey. The survey is based on 750 telephone interviews conducted with adult residents of the HCCS tax district, which comprises Houston, Stafford and Missouri City ISDs. One objective was to assess public opinion of HCCS' performance in fiscal responsibility. The survey results indicate that tax district residents hold positive views of HCCS' fiscal responsibility.

Almost seven in 10 (68 percent) of survey respondents strongly agree or agree that HCCS makes good use of its tax dollars. This is more than five times the 7 percent who disagree or strongly disagree. A larger number of respondents (72 percent) agree or strongly agree that the public is getting its money's worth with HCCS. Fewer than one respondent in 10, or 5 percent, indicates they disagree or strongly disagree. One quarter of respondents express neutral opinions on this question. Twenty-three percent of respondents express a neutral view of whether the public is getting its money's worth with HCCS. **Exhibit 5-9** shows survey responses.

Exhibit 5-9
HCCS Public Input Survey
2002

Strong Majorities Agree With Positive Statements About HCCS Fiscal Responsibility

Makes Good Use of Tax Dollars	68.1
Public Is Getting Its Money's Worth	72.0

■ Strongly Agree □ Agree
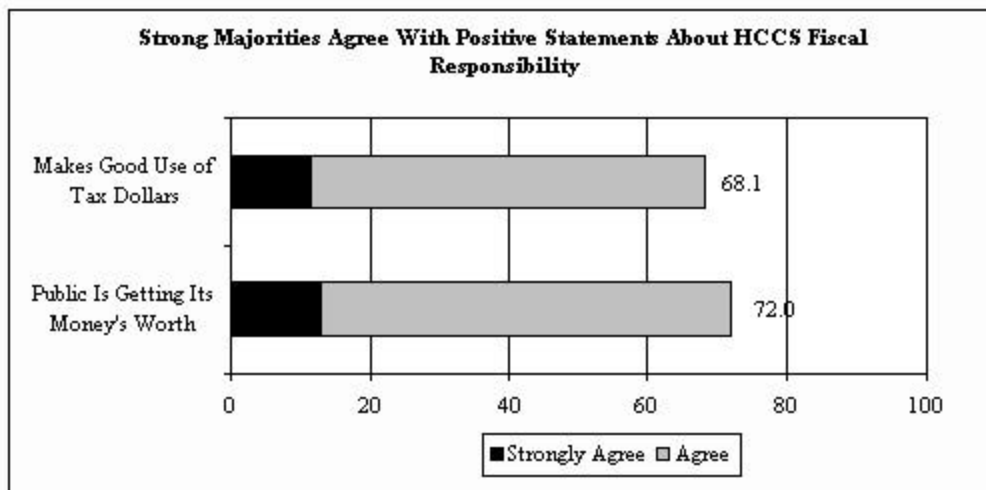
Source: TSPR, 2002 HCCS Public Input Survey.

HCCS has produced a long-range 15-year plan that includes its projected growth and facility needs. The projected increase in the number of students and in related capacity issues is a challenge for HCCS. Effective financial management is critical to the institution's success. Financial management is most effective when an institution properly aligns its business services functions, establishes strong systems of internal control and properly allocates staff resources to achieve the best results.

The vice chancellor for Finance and Administration oversees all financial management functions at HCCS except for the internal audit function. The director of Internal Auditing reports to the chancellor. The executive director for Business Affairs and the executive director of Financial and Budgetary Control report to the vice chancellor for Finance and Administration. **Exhibit 5-10** shows the financial management functions organization.

Exhibit 5-10
HCCS Financial Management Organization
February 2003

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                        ┌──────────────────┐
                        │    Chancellor    │
                        └──────────────────┘
   ┌──────────────────┐          │
   │     Director     │──────────┤
   │ Internal Auditing│          │
   └──────────────────┘          │
                        ┌──────────────────┐
                        │  Vice Chancellor │
                        │Finance and       │
                        │Administration    │
                        └──────────────────┘
              ┌──────────────┴──────────────┐
   ┌──────────────────────┐      ┌──────────────────────┐
   │  Executive Director  │      │  Executive Director  │
   │Financial and Budgetary│      │   Business Affairs   │
   │      Control         │      └──────────────────────┘
   └──────────────────────┘                 │
           ┌──────────────────────┐   ┌────────────────────────┐
           │   Accounts Payable   │───│Student Financial Services│
           └──────────────────────┘   └────────────────────────┘
           ┌──────────────────────┐   ┌────────────────────────┐
           │  General Accounting  │───│  Grants and Contracts  │
           └──────────────────────┘   └────────────────────────┘
           ┌──────────────────────┐
           │       Payroll        │───
           └──────────────────────┘
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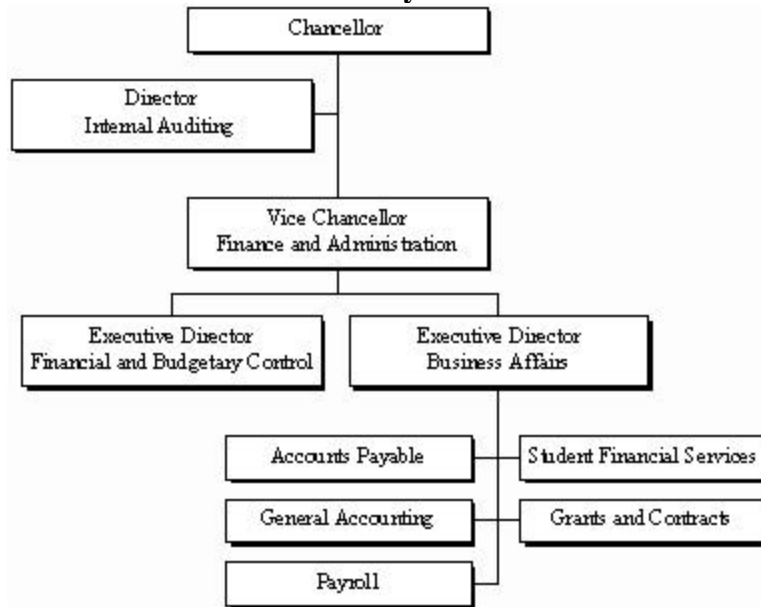
Source: HCCS, vice chancellor for Finance and Administration.

The vice chancellor for Finance and Administration provides the common conduit for communication among HCCS financial management functions. The Financial and Budgetary Control office oversees the budget process, interim financial reports and preparation of required financial information to state agencies and other entities. The Business Affairs office is responsible for line accounting functions, management of restricted grants and contracts, cash management, the annual external audit report and quarterly investment reports. Line accounting functions are accounts payable, payroll, accounts receivable, bank reconciliations, student financial information and maintaining financial information for funds.

Chapter 5
FINANCIAL MANAGEMENT

A. Budget Planning, Monitoring and Review

Budget preparation and administration are important aspects of community college operations. Providing adequate resources for programs within the constraints of available funding sources presents administrators with a significant challenge. Sound budgeting practices benefit the institution by establishing a documented method for budget development, adoption and administration; by providing administrative controls for fund expenditure within approved allocations; and ensuring staff and college involvement in the budget development process.

The budget is the board-approved spending plan for HCCS. The administration ensures that the financial plan is followed. To control expenditures, there must be a system of checks and balances. Such controls help ensure that the budget cannot be exceeded and that budget managers are held accountable for the way they use funds.

The Financial and Budgetary Control office prepares and oversees the HCCS budget. The head of the department is the executive director, who supervises a financial analyst, a business systems analyst and a data control assistant. The department provides interim financial reporting for HCCS and submits required financial information to state agencies and other agencies such as the National Center for Education Statistics.

The executive director of Financial and Budgetary Control also oversees risk management, fixed assets, records management and the mailroom. Other executive director responsibilities include facilitating the budget process, reviewing and approving transfers, researching and developing sources of funding, reviewing and monitoring the position control system and the budget.

The financial analyst is responsible for state reporting of HCCS financial information, including the cost study for the Legislative Budget Board. The financial analyst prepares the financial statements that are sent to the board, the administration and the colleges. The business systems analyst maintains the online budget development system and uploads budget information to the automated financial system and for ad hoc reporting. The data control assistant processes budget transfers, and performs clerical and secretarial duties.

A yearly HCCS timetable outlines key activities in the planning and budget process. Distributed to managers and posted on the HCCS Web site, the timetable covers the fiscal year from September through August, and it includes date and descriptions for the planning of budget activity. For 2003-04, the budget development and approval process begins earlier than it did in 2002-03. Although board approval of the 2002-03 budget was scheduled for June 2002, the board approved the budget in August 2002. The 2003-04 timetable schedules board budget approval for May 2003.

The annual budget forum for budget managers is a key activity in the budget process. The forum offers budget managers an overview of the current budget, the status of budget priorities and year-end budget projections. Budget managers discuss projected revenues and budget priorities for the following year. Once finalized, budget priorities and initiatives take precedence over other budgetary requests.

Using these budget forum guidelines, budget managers begin to develop their department or college budgets. The current budget is usually used as a baseline. When projections show that additional funds are available, requests for these funds are developed based on department or college needs.

Meanwhile, the HCCS administration reviews and sets annual priorities and initiatives, using information from the budget managers. Once the priorities and budgets are established, another budget forum is held to present the results to the budget managers. Budget managers learn what funds are available after priorities and initiatives are funded and adjust their budget requests accordingly. Financial and Budgetary Control compile the resulting information.

FINDING

In 2000-01, HCCS developed an online budget development system (OLB), available on the Internet. The system was designed by the Financial and Budgetary Control Department and is maintained by the business systems analyst. Using OLB, budget authorities input their budget requests online over a two-week period in the spring. The OLB compiles the information from the budget managers, and the business systems analyst monitors the progress of the input. After this period, the department prints the information, sends it to the budget managers for their review and approval, and makes any necessary corrections. This information then becomes the proposed HCCS budget.

When the budget is approved, information is uploaded from OLB into the financial management software. The business systems analyst reviews and

verifies the accuracy of the information. The budget is available to all budget authorities. After the beginning of the year, adjustments-such as transfers of funds between accounts-are made in the financial software.

Some budget managers said the OLB is user friendly and facilitates budget preparation. Others said the OLB has improved the process and that the budget system has improved since its introduction. A review of the OLB is presented at the annual budget forum, and the HCCS Web site tells how to access the OLB.

Before implementation of the OLB, HCCS prepared its budget with a financial software budget module. When HCCS implemented a new financial system in 2000, it did not implement the budget module. The business systems analyst said this was due to the cost of implementation. Because the OLB was designed and is maintained by HCCS, it is a cost-effective solution for budget development.

COMMENDATION

HCCS developed a cost-effective, efficient online budget development system that is available through the Internet.

FINDING

In 2001-02, HCCS implemented an effective position control system to govern the budgeting and hiring of full-time employees. The position control system is used to budget funds for full-time positions in departments and colleges. The Human Resources Department will not fill a full-time position unless the position control system indicates that the position is available.

New positions are defined during the budget process and added to the position control system. When positions are vacated during the year, the position is frozen and funds for the position are "swept" into a central account to prevent their use. The vice chancellor for Finance and Administration controls the central account and approves redistribution of the funds.

The budget manager of the area in which the vacancy occurs does not hire a replacement right away. The position must first be "justified" to Human Resources. The Financial and Budgetary Control Department then verifies funds for that position, and the funds are restored to fund the replacement for the remainder of the year. This keeps unnecessary positions from being filled simply because there is a vacancy.

COMMENDATION

HCCS implemented an effective position control system for hiring full-time employees.

FINDING

The budget process is not based on an allocation system that ensures funds are distributed equitably to the colleges. HCCS uses a request process for budget development. Colleges and departments submit requests based on the prior year budget, including necessary increases. These increases are requests to fund additional services, activities or equipment as priorities for the budget year.

Although the HCCS budget development process is clearly defined, the process used by individual colleges and departments to determine budget requests varies. Several colleges include staff meetings to discuss funding priorities. One college and several departments said they simply roll the current year's budget forward and submit it as the budget request.

The chancellor's executive team reviews the requests before the entire budget proposal is submitted to the board for approval. All final budgets are based on the availability of funds approved by the board. The colleges are sent an allocation and develop a final budget request based on that amount. The colleges reported that few requests above the prior year allocation are funded. Several colleges said the 2002-03 budget allocation was less than the 2001-02 allocation, and the decrease did not reflect the number of students served or the elimination of programs at the colleges.

Exhibit 5-11 shows information for the 2001-02 and 2002-03 supplies budgets at each college. The annual budget is shown on a per-enrolled-student basis for comparison. Enrollment numbers are taken from the reports on the HCCS Institutional Effectiveness Web site. Although the number of enrolled students increased at all colleges except Central, allocation for supplies decreased at two colleges. The per-student allocation decreased at all colleges except Central. The supplies budget varied from $59 to $261 in 2001-02 and from $55 to $260 in 2002-03.

Exhibit 5-11
Comparison of Supplies Budgets
2001-02 and 2002-03

Description	Central College	Northeast College	Northwest College	Southeast College	Southwest College
Student Enrollment (fall 2002)	10,842	5,409	10,131	7,031	14,437

Supplies Budget 2002-03	$2,346,419	$1,404,272	$560,748	$962,758	$1,107,247
Amount Per Enrolled Student	$216	$260	$55	$137	$77
Student Enrollment (fall 2001)	10,577	5,256	9,669	6,319	13,967
Supplies Budget 2001-02	$2,141,497	$1,370,959	$569,177	$933,610	$1,291,410
Amount Per Enrolled Student	$202	$261	$59	$148	$92

Source: HCCS, Approved budgets 2001-02 and 2002-03, Enrollment report 01/07/2002 and 01/09/2003.

The per-student variance is partially due to the different emphasis each college places on programs and costs. For example, Central has an aviation program, Southeast has a healthcare program and Northeast has several workforce programs, including automotive technology.

HCCS is developing an allocation process called the budget target model for college budget allocations, based on the cost of providing courses to students. The process will recognize course differences and the specific needs of specialized programs. The cost of providing courses to students will be multiplied by the projected number of students enrolling in courses at each college to calculate the budget allocation for instruction at each college. Each college will be allocated funds to cover infrastructure costs, such as utilities and rents, which are specific to the college and are not related to the number of students. Each college will build a budget based on its allocation.

Although HCCS plans to use the allocation process in 2003-04, it is behind schedule on development and implementation of the budget target model. The timetable scheduled input from the colleges to develop the standards for the model for October 1, 2002, but the meeting to discuss the model and related standards had not occurred by December 10, 2002.

Development of the model requires analysis of cost data from all five colleges to determine a system cost for providing each class. The executive director of Financial and Budgetary Control received the initial cost analyses in December 2002 and said that significant differences exist in the cost of providing the same course at different colleges. The model assumes that it should cost the same to teach academic courses at each of

the colleges. The model will recognize the differences in the cost of teaching various academic courses, but it will provide a systemwide cost for each course.

All college operations officers (COOs) support the development of a budget allocation model based on the number of students enrolled at the college, if the model is developed with input from the colleges. Based on COO comments, the model should address nine factors:

- the specialized programs offered by colleges;
- the community the college serves;
- the funds that certain programs generate and the use of those funds;
- the expected growth of the colleges;
- the ability of the college to meet the average class size;
- the health, welfare and safety of students, faculty and staff;
- the use of space at the colleges;
- the ability of the colleges to use allocated funds as they deem appropriate; and
- the cost of the base needs of each college.

Many entities allocate budgets based on the number of program participants. To obtain support for the budget allocation process, budget managers are included in developing the formulas used to allocate funds. Budget managers think they are treated fairly because the funds are a product of their efforts to maintain or increase program participation. This removes the perception that the "squeaky wheel gets oiled" during the budget process.

North Harris Montgomery uses an allocation method partially based on student contact hours generated by each college.The allocation formula includes an amount for fixed costs that are borne by each college, regardless of student body or building size. It also includes an allocation to fund building operations in a way that encourages and rewards efficient management of operational costs. The desired 60:40 faculty-to-adjunct ratio is fully funded in the formula. Remaining funds are allocated based on the estimated number of fundable contact hours produced by each college.

Recommendation 38:

Involve colleges and departments in developing and implementing the annual budget allocation process.

HCCS should involve the colleges and departments in the development of the budget target model. The system should address the issues that the budget managers raise about the model.

HCCS should implement the model for the 2004-05 budget to provide opportunity for input and to research the cost of providing courses to students. The model should be evaluated each year to determine changes that should be implemented for the next budget cycle. If the model is implemented for the 2003-04 budget, the system should evaluate the model with each college and adjust it as necessary.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The board directs the chancellor to complete the development of the budget target model with input from the budget managers at the colleges and departments, based on cost data for the courses.	July 2003
2.	The chancellor and the vice chancellor for Finance and Administration develop a budget target model plan with input from budget managers.	July 2003
3.	The vice chancellor for Finance and Administration and the executive director of Financial and Budgetary Control review the cost data and develop a preliminary budget target model.	August 2003
4.	The vice chancellor for Finance and Administration and the executive director of Financial and Budgetary Control present the preliminary budget target model to the budget managers of the colleges and departments for discussion and review.	September 2003
5.	The vice chancellor for Finance and Administration and the executive director of Financial and Budgetary Control revise the budget target model based on input from the budget managers.	October 2003
6.	The vice chancellor for Finance and Administration and the executive director of Financial and Budgetary Control present the revised model to the chancellor for review and approval.	November 2003
7.	The chancellor presents the budget target model to the board for review and gets approval.	December 2003
8.	The vice chancellor for Finance and Administration and the executive director of Financial and Budgetary Control implement the budget target model to determine the allocation of funds to the colleges for the budget.	January 2004
9.	The vice chancellor for Finance and Administration and the	June 2004

	executive director of Financial and Budgetary Control get feedback from budget managers on the budget target model, evaluate it and make changes as necessary.	and Annually

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

HCCS does not encumber funds when it hires adjunct professors and part-time employees. Instead, the Human Resources Department checks the budget to ensure adequate funds are available for the individual's pay. However, the funds necessary to pay the individual hired are not earmarked for that individual's salary in any way. If colleges and departments exceed the budget in this area, the system is forced to find the funds to pay the employees.

Although HCCS estimates the number of adjunct professors and part-time employees as a part of the budget process, changes in enrollments and class offerings make it difficult to accurately project the salary costs for these employees. If the number of enrolled students warrants the addition of class sections, sections are added without adjusting the salary budget. To provide additional sections, the colleges hire more adjunct professors or pay current faculty more for the increased class load.

If employees are hired in the first part of the budget year, ample funds will appear to be available when Human Resources checks the salary budget. As the year continues, the apparent availability of salary budget funds diminishes as salaries are paid. Because funds were not encumbered for this purpose, the budgets can appear to have sufficient funds to pay additional new hires later in the year. By the end of the budget year, the budgets may be overspent, but the employee has to be paid.

Many governments earmark funds for specific future salary expenditures by encumbering funds when the position is filled. The human resource function is responsible for encumbering the funds when the position is filled and will not hire additional staff if the remaining salary budget is not sufficient.

Recommendation 39:

Encumber salary budgets when adjunct professor and part-time positions are filled to ensure funds are available to pay the salary of the position through the entire budget year.

To control salary costs, HCCS should encumber salary budgets when an individual is hired. If additional funds are necessary for salaries, the budget should be amended.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The chancellor directs the vice chancellor for Finance and Administration to encumber budgeted funds when part-time and adjunct professor positions are filled.	July 2003
2.	The vice chancellor for Finance and Administration and the executive directors of Financial and Budgetary Control, Business Affairs and Human Resources meet to discuss encumbering funds when part-time positions are filled, to develop a plan and assign responsibility for it.	August 2003
3.	The vice chancellor for Finance and Administration presents the plan to the chancellor for review and approval and receives approval.	August 2003
4.	The vice chancellor for Finance and Administration implements the plan; all salary budgets for part-time employees are encumbered when the positions are filled.	September 2003

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 5
FINANCIAL MANAGEMENT

B. Internal and External Auditing

Internal auditing is an independent appraisal function within a college that evaluates the efficiency and effectiveness of system operations and compliance with laws, rules, regulations, policies and procedures. Internal audit reviews system operations to evaluate their efficiency and effectiveness. The internal and external audit functions complement each other with a coordinated audit effort to ensure compliance and efficient and effective operations.

The director of Internal Auditing reports to the chancellor and supervises four employees. The Internal Auditing Department has an office assistant, a secretary and two internal auditors. The department uses computer-assisted audit techniques to audit large sets of data. The department publishes and distributes annual audit reports. In 2001-02, the department performed several special audits, as requested by managers and the administration, and it assists the external auditors in the annual financial and compliance audit.

Community colleges undergo an annual external audit performed by a certified public accountant (CPA). The external financial audit is designed to ensure that the financial statements fairly present the financial condition of the system. The external audit also reviews internal controls for material weaknesses and checks for compliance with laws, rules and regulations.

A local CPA firm performed HCCS' annual financial and compliance audit for the year ending August 31, 2001 and has done so since 1989. The review team analyzed audit reports for three years. All reports stated that HCCS financial statements fairly present its financial condition and that no material weaknesses in internal controls were found. A material weakness is one in which the design or operation of an internal control component is not effective in reducing the risk that a material misstatement in the general purpose financial statements under audit could occur undetected.

In 2002, HCCS requested proposals for audit services and selected a new audit firm. The Request for Proposals (RFP) for audit services was released February 18, 2002 and responses were due on March 4, 2002. The RFP called for a two-year contract with the option of three one-year renewals. Out of only two responses, only one firm had community college experience. The vice chancellor for Finance and Administration

said the number of responses was low due to the perception that auditing a community college was not profitable. The 2001-02 audit was viewed as complex with the implementation of GASB 34 and 35.

The RFP described HCCS, its accounting structure and submission requirements for responses. In addition, the RFP contained eligibility requirements, minimum qualifications, how the proposal should be prepared and what it should contain, criteria for evaluation, scope of services, deliverables and timelines for the audit and the terms and conditions of the contract.

HCCS advertised the RFP in three local newspapers and listed it with the Houston Minority Business Council. The RFP was posted on the State of Texas Web site and the HCCS purchasing Web site. The senior buyer also called several local firms to inform them of the opportunity.

FINDING

In August 2002, HCCS adopted a policy that requires the periodic competitive procurement of external audit services. According to this new policy, HCCS will engage external auditors for a maximum period of three years with two, one-year renewals at the option of the board if service is satisfactory. After this, HCCS will request proposals for external audit services. The audit firm under contract may not propose on subsequent RFPs.

The Government Finance Officers Association (GFOA) recommends that governmental entities use a competitive process to select independent auditors on a periodic basis and that they actively seek all available qualified firms. According to the GFOA, periodic competitive procurement helps to reduce audit costs. This policy will help HCCS to ensure that the auditor remains independent and that audit fees are competitive.

COMMENDATION

HCCS adopted a policy that requires periodic competitive procurement of external audit services to ensure that costs are competitive.

FINDING

The internal audit function reporting structure does not promote independence in fact or appearance. The director of Internal Auditing reports to the chancellor but has no formal reporting relationship with the board. HCCS' internal audit charter states that the function reports to the

chancellor to ensure independence, to promote comprehensive audit coverage and to adequately consider audit recommendations. Board policy CDC (Local), which governs the internal audit function, is aligned with the charter and provides two occasions for the internal audit function to have direct contact with the board. These include a board request for an audit and the discovery of criminal wrongdoing.

The internal audit charter states that all internal auditing endeavors are to be conducted in compliance with HCCS objectives and policies as well as the *Code of Ethics* (Code) and the *Standards for the Professional Practice of Internal Auditing* (Standards) promulgated by the Institute of Internal Auditors, Inc. (IIA). According to the IIA, "compliance with the Standards is essential if the responsibilities of internal auditors are to be met. The purpose of the Standards is to:

- delineate basic principles that represent the practice of internal auditing, as it should be;
- provide a framework for performing and promoting a broad range of value-added internal audit activities;
- establish the basis for the measurement of internal audit performance; and
- foster improved organizational processes and operations."

The HCCS director of Internal Auditing submits audit reports to the chancellor, not to the board. IIA Standard 2020 states, "The chief audit executive should communicate the internal audit activity's plans and resource requirements, including significant interim changes, to senior management and to the board for review and approval. The chief audit executive should also communicate the impact of resource limitations."

The director of Internal Auditing made one presentation to the board in October 2001 about the department's strategic plan to enhance internal controls. IIA Standard 2060 states, "the chief audit executive should report periodically to the board and senior management on the internal audit activity's purpose, authority, responsibility and performance relative to its plan. Reporting should also include significant risk exposures and control issues, corporate governance issues and other matters needed or requested by the board and senior management."

The chancellor approves the internal audit charter, not the board. IIA Standard 1000 states, "The purpose, authority and responsibility of the internal audit activity should be formally defined in a charter, consistent with the Standards and approved by the board."

The Institute of Internal Auditors (IIA) Independence and Objectivity Standards 1110 and 1110.A1 state, "The chief audit executive should

report to a level within the organization that allows the internal audit activity to fulfill its responsibilities. ...The internal audit activity should be free from interference in determining the scope of internal auditing, performing work and communicating results."

Typically, an organization's internal audit charter will include a statement on independence that defines the appropriate reporting relationship. For example, the IIA's Sample Internal Audit Department Charter states, "To provide for the independence of the internal auditing department, its personnel report to the chief audit executive, who reports functionally to the audit committee and administratively to the chief executive officer."

One of the major pitfalls, however, to having the internal auditor report directly to the board is the tendency of boards to use this arrangement as an opportunity to inappropriately insert themselves into the day-to-day running of the college. The board's role is that of policy-maker and any intrusion into the daily operations oversteps those bounds. However, it is within the rights and responsibilities of the board to hold the administration accountable for operating the college within board policies, as well as state and federal laws, rules and guidelines. To fail to do so could make the board liable for wrongdoing by the administration.

While the *Criteria for Accreditation* set out by the Southern Association of Colleges and Schools (SACS) does not specifically address the reporting chain for the internal auditor, Section 6.1.2 of the *Criteria* does address the need for separation between the policy-making functions of the board and the prerogatives of the administration for policy implementation. Having the internal auditor report directly to the board would run the risk compromising this separation and thus violating this section of the *Criteria*.

To ensure compliance with SACS *Criteria* for the separation between the policy-making functions of the board and the prerogatives of the administration for policy implementation, while still preserving the internal auditor's independence, the functional reporting arrangement should limit the board's role in this process to:

- ensuring that this reporting relationship is clearly defined in the internal audit charter;
- approving the annual audit plan;
- making final decisions regarding the hiring, firing and salary actions for the internal auditor, giving careful consideration to the performance evaluations given by the president or chancellor; and
- reviewing the internal audit findings and holding the administration accountable for correcting non-compliant functions and internal control weaknesses.

The administrative reporting to the president or chancellor's would then include:

- ensuring that the internal auditor is administratively free of any impairments to independence;
- taking seriously the findings and recommendations of the internal auditor and provide assurances to the board that the college is in compliance with board policies as well as state and federal laws, rules and guidelines; and
- administratively approving leave, appraising the work of the internal auditor and making recommendations to the board for hiring, salary actions and other employment decisions, as would be the case for other key executive administrators.

To ensure that boards do not abuse this relationship with the internal auditor, SACS has stated that the most effective reporting structure would have the internal auditor report directly to the president and meet regularly with the audit committee of the board along with the chief financial officer to provide appropriate checks and balances and still maintain administrative integrity.

Recommendation 40:

Revise the internal audit charter to clearly define the role and responsibility of the board and administration in establishing and approving the annual audit plan and clarify that the final internal audit reports are to be sent uncensored to the Board of Trustees.

HCCS should modify the internal auditor's reporting relationship to strengthen the auditor's independence as required by the IIA. The auditor should always have unfettered access to upper management and the governing body. Such access should be in form as well as in fact to ensure that the auditor's independence is not impaired. Additionally, the board and administration must define the functional and administrative reporting arrangement to ensure that the board is very clear about its role and responsibilities and does not take this opportunity to insert itself in the day-to-day operations of the college.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The board directs the chancellor to revise the internal audit charter and director's job description to show the new reporting structure for the internal auditing function.	July 2003
2.	The chancellor revises the internal audit charter and the job description. submits them to the board for approval and	August 2003

	receives approval.	
3.	The director of Internal Auditing begins the new reporting relationship.	September 2003
4.	The director of Internal Auditing makes quarterly reports to the board about internal audit activities and performance relative to its plan.	December 2003 and Quarterly

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

HCCS' Internal Auditing Department does not have a formal risk assessment process approved by the board to determine the area or functions that should be audited. The director of Internal Auditing has selected areas and functions to be reviewed and placed those in the two-year audit plan. The director of Internal Auditing said management and board interest, annual compliance, external auditor recommendations, time since last audit, size of budget and auditor preference are factors that are considered in audit selection. The audit plan is approved by the chancellor and forwarded to the board for their information. The director of Internal Auditing also performs audits at management's request that may not be included on the audit plan.

The IIA requires that formal risk assessments be performed to determine what areas and functions will be audited. The IIA defines risk as the uncertainty of an event's occurring that could have an impact on the achievement of objectives. Risk is measured in terms of consequences and likelihood. The department charter states that all audits will comply with the Standards for the Professional Practice of Internal Auditing.

The director of Internal Auditing has developed a plan to implement a risk assessment model. The plan includes control self-assessments (CSA) and the Commission of Sponsoring Organizations (COSO) of the Treadway Commission internal control framework. The implementation of CSA and COSO were addressed in a management review in 2001. The director of Internal Auditing presented the proposed model to the board in October 2001 and has been working on completing the risk assessment model since then. The director of Internal Auditing said the plan would be presented to the board for consideration at the beginning of 2003, but, as of February 2003, the plan had not been presented to the board for approval.

The 2000-2002 HCCS Self-Study and the 2000-2002 HCCS Self-Study Addendum are a result of the HCCS' accreditation review by the

Commission on Colleges of the Southern Association of Colleges and Schools (SACS). Every 10 years, accredited institutions are required to conduct a self-examination from which they formulate recommendations for future improvements. This involves participation by the faculty, administrative officers, staff, students and trustees in a close examination of the institution. The SACS self-study and addendum state that HCCS had implemented the COSO framework and CSA when the director of Internal Auditing presented the plan to the board committee in October 2001; however, the plan has yet to be approved by the board or implemented.

Many Internal Audit Departments have implemented CSA and COSO and use a formal risk assessment model to determine areas to be audited, in compliance with IIA standards.

Recommendation 41:

Implement and use a risk assessment model to determine the areas for internal audit.

The board should approve the risk assessment model developed by the director of Internal Auditing for its audit plan. This will provide HCCS with audits of areas with the greatest risk. Subsequently, risk assessment, audit plan development and approval should occur in time for implementation to coincide with the beginning of the fiscal year.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The director of Internal Auditing presents the risk assessment model to the board for approval and receives approval.	July 2003
2.	The director of Internal Auditing uses the risk assessment model to develop the audit plan for 2003-04.	August 2003 and Annually
3.	The director of Internal Auditing presents the audit plan to the chancellor for review, revision and approval and receives approval.	September 2003 and Annually
4.	The chancellor approves the plan.	September 2003
5.	The director of Internal Auditing submits the audit plan to the board for review, revision and approval and receives approval.	September 2003 and Annually
6.	The board approves the plan.	September 2003
7.	The director of Internal Auditing implements the audit	October 2003 and

	plan.	Annually

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

HCCS does not stipulate how much help the Internal Auditing Department will give the external auditor, and it does not quantify the benefit in the cost of the external audit. The director of Internal Auditing said that the department spent 628 hours assisting the external auditors, higher than in prior years, because a new audit firm was used in 2001-02-more than five weeks of professional staff time.

The RFP for external audit services states "HCCS maintains an internal auditing function which may be able to assist in the audit." Only one response included an estimate of the hours the respondent would require from Internal Auditing. The firm estimated that between 250 and 300 hours of internal audit support would be necessary for disbursements, student financial compliance testing, search for unrecorded liabilities and other areas in addition to the 1,200 hours of external auditor staff time to complete the audit. The firm chosen for the external audit did not offer an estimate of internal audit time and estimated the total external staff time at 868 hours.

The RFP also stated "the HCCS accounting/finance team will prepare drafts of all required schedules and provide drafts to the audit team. The team will also be available to reproduce copies of documents and pull documents for review. Clerical assistance will also be provided." The external audit engagement letter states "we understand your employees will prepare all cash, accounts receivable or other confirmations we request and will locate any invoices selected by us for testing." No other use of HCCS employee time is mentioned.

The SAO *Financial Statement Opinion Audit Guide for Texas Public Community Colleges* states the RFP should include any assistance that will be available to the auditors. "The RFP should indicate if the college plans to provide assistance to the external auditors, such as furnishing workspace and office equipment to the audit staff. By furnishing clerical support, internal audit support, or other types of assistance, the college may lower its audit costs."

Some governmental entities quantify internal audit time spent assisting the external auditor in the RFP and the engagement letter. If the time spent by internal auditors exceeds the number of hours agreed on in the letter, these

entities receive a credit against the fees charged by the external audit firm for excess hours. Generally, the assistance of the internal auditors is credited at the staff auditor rate charged by the external audit firm. This has reduced audit costs for some entities.

Recommendation 42:

Stipulate the number of hours of assistance the internal audit function will provide to the external auditors in the Request for Proposals and the engagement letter.

HCCS should include the number of hours of assistance the internal audit function will give the external auditor in the RFP for audit services and in the engagement letter. If the number of hours exceeds the specified amount, HCCS should negotiate a credit against the audit fees based on the rate charged by the firm for a staff auditor.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The chancellor directs the vice chancellor for Finance and Administration to include the number of hours of internal audit assistance for the external auditors in the engagement letter and all future RFPs for external audit services issued by HCCS.	July 2003
2.	The vice chancellor for Finance and Administration includes the number of hours of internal audit assistance for the external auditors in the engagement letter for the 2003-04 external audit.	August 2003
3.	The vice chancellor for Finance and Administration negotiates a credit for the number of hours of internal audit assistance to external auditors that is more than the stipulated amount for the 2003-04 external audit.	August 2003
4.	The vice chancellor for Finance and Administration includes the number of hours of internal audit assistance for the external auditors in future RFPs for external audit services.	As appropriate

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 5
FINANCIAL MANAGEMENT

C. Accounts Payable and Payroll Management

The manager of Accounts Payable oversees payment of HCCS obligations. The department has two support specialists, seven specialists and a temporary assistant manager. An accountant keeps track of capital projects. **Exhibit 5-12** presents the organization of the department.

Exhibit 5-12
Accounts Payable Organization
**February 2003**
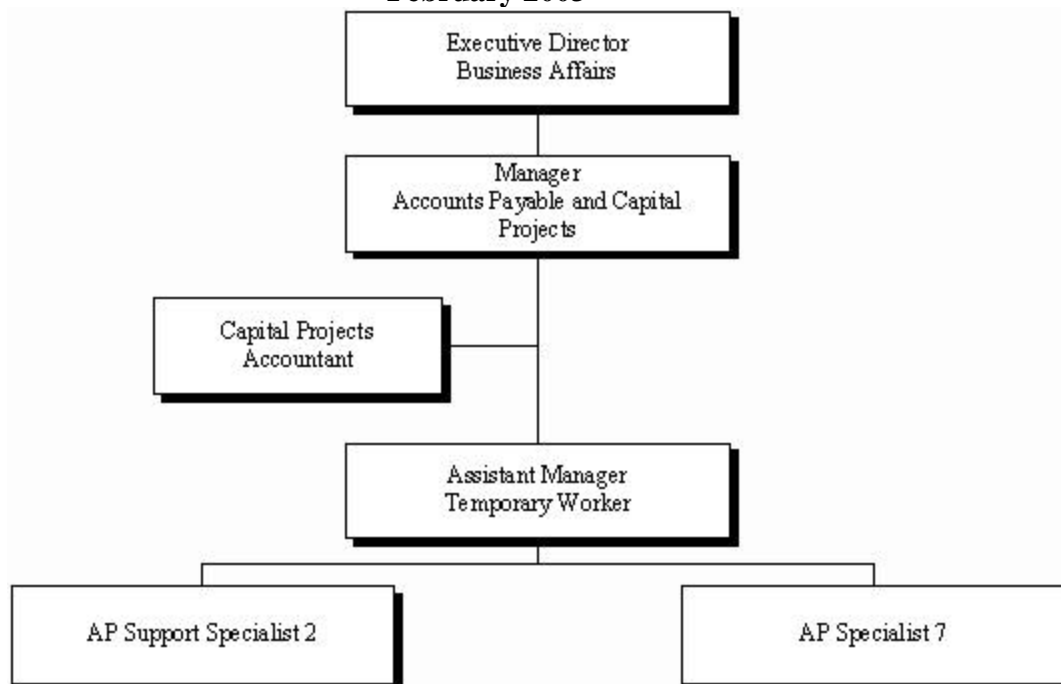
Source: HCCS, vice chancellor for Finance and Administration.

The assistant manager maintains the match exception report, reviews vouchers more than $10,000 for accuracy and completeness, assists with the year-end closing process and manages daily operations when the manager is not there. The match exception report lists vouchers that did not process because the invoice did not match the purchase order (PO), because the invoice had no documentation or because the invoice amount differs from the PO. The assistant manager also troubleshoots problems with vendors, departments and colleges that the specialists are unable to resolve.

The two support specialists process direct pay requests for colleges and departments. The specialists process payments for POs. Five specialists are responsible for payments from the colleges, and two are responsible for system payments. Specialists match invoices with the receiver form and the PO if it was for a specific item. Once the invoice and receiver are matched, the specialist inputs the information in the system so a check can be written and then forwards the documentation to Cash Management to attach to the check copy for filing. For items purchased on an open PO, the specialist faxes the invoice to the college or department and requests confirmation that the goods or services were received. Upon receipt of the confirmation, the specialist inputs the information in the system and forwards the documentation to Cash Management to attach to the check copy for filing.

The accountant and the manager of Accounts Payable oversee payments made on capital projects. Requests for payments are approved and submitted for payment. The accountant reviews the payment request, gets approval from the manager of Accounts Payable and inputs the payment in a database software program used to track capital projects. The accountant then processes the check for payment through the main financial system. The accountant maintains the files for all system capital projects. The accountant said HCCS is developing a construction management function and that the records will be transferred to that function.

The director of Payroll oversees the payroll function in HCCS. Benefits have been temporarily assigned to the director of Payroll because the Benefits Department was restructured. The Payroll Department has a senior accountant, an accountant, a senior payroll representative and four payroll representatives. The department reports to the executive director of Business Affairs. Segregation of duties between Human Resources and Payroll has improved internal controls over the payroll function. **Exhibit 5-13** shows the organization of the Payroll Department.

Exhibit 5-13
Payroll Organization
February 2003
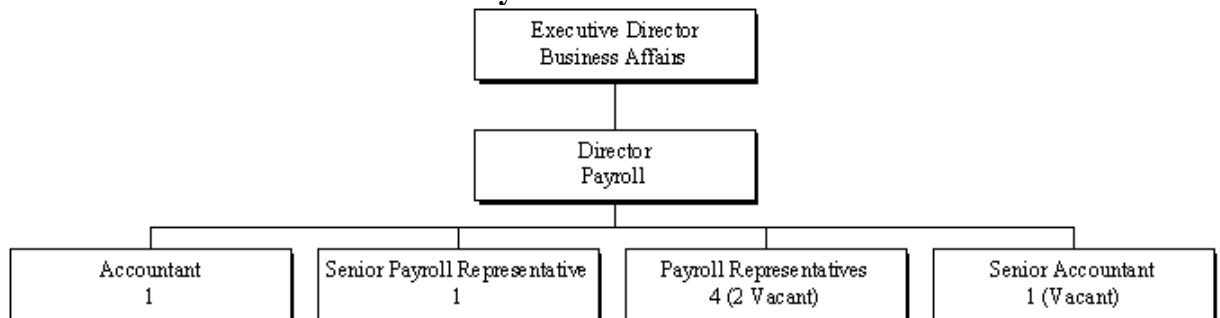
Source: HCCS, vice chancellor for Finance and Administration.

FINDING

Internal controls for employee timekeeping are weak. HCCS uses the exception method for time reporting and for paying full-time employees, in which the payroll system automatically processes pay for an employee unless an "exception" such as sick or vacation time is reported. The Human Resources Department enters new employee information in the payroll system, and the Payroll Department activates employees for pay. Full-time employees are set up to be paid for a set number of hours a week, and no information is sent to Payroll for the employee unless the employee worked overtime or was absent from duty.

The designated timekeeper at the employee's location enters overtime and absences into a Web-based time-reporting system developed by HCCS. This information is uploaded to the Enterprise Resource Planning (ERP) system and is the basis for paying employees. Absent-from-duty reports and documentation for time worked are maintained at individual work locations. For part-time employees, the timekeeper at each employee work location inputs time worked and maintains employee time records. HCCS has 200 time reporting locations, some of which have as many as seven different designated timekeepers. In some work locations, this allows workers to record their own time in the system, such as a vice chancellor's office that has only the vice chancellor and a secretary at the work location. **Exhibit 5-14** shows HCCS employees by classification and eligibility for overtime pay.

Exhibit 5-14
Number of Employees by Classification Eligible for Overtime
2002-03

Employee Type	Full-Time	Part-Time	Total	Eligible for Overtime Pay
Executive/Administrator/Managerial	113	8	121	0
Faculty	685	1,979	2,664	0
Professional - Non-faculty	276	225	501	0
Counselors & Librarians	75	2	77	0
Secretary/Clerical (upper level)	342	652	994	994
Technical/Paraprofessional	180	562	742	742
Skilled Craft	3	0	3	3
Service/Maintenance	113	133	246	246

| Total | 1,787 | 3,561 | 5,348 | 1,985 |

In 2001-02, Internal Audit conducted three investigations of HCCS employee timekeeping processes. All three reports noted deficiencies in timekeeping at several different locations. In one location, the lack of supervision of timekeeping allowed an employee to input 264.3 hours of overtime into the payroll system and receive $7,888 for overtime in one biweekly pay period. This equates to working 344.3 hours in a two-week period that contains a total of 336 hours (14 days x 24 hours/day).

One report noted that department and college timesheets were not maintained as required by the Fair Labor Standards Act (FLSA) and that payroll system entries were inaccurate. FLSA requires no particular form for recordkeeping, but it does require that records include employee identification information and data about hours worked and wages earned. Employers must keep payroll records for at least three years. Records used to compute wages must be kept for two years, including timecards, wage rate tables, work and time schedules and records of additions to or deductions from wages. The law requires this information to be accurate.

Another investigative report noted the lack of supervisory control and monitoring over timekeeping. In this case, a secretary was approving the timesheets instead of the manager. Based on these reports, the director of Internal Auditing has made numerous recommendations to improve controls over timekeeping and compliance with the FLSA.

HCCS has taken steps to implement these recommendations and is conducting a series of training sessions for all timekeepers and supervisors. The institution is preparing revisions to board policies that cover payroll for presentation to the board for approval. The revision will include assigning responsibility for time reporting to management at each work location so that management is held accountable for future problems.

HCCS gives supervisors a labor distribution report that details the amount of payroll expenditures charged to the departments for the month, including overtime. These reports are sent to the departments 30 to 60 days after the end of the month (December's labor distribution report was sent to the departments in February). Department supervisors must review and confirm the amounts charged to the departments, but departments do not return verification of this review to payroll.

Many governmental entities use automated time and labor systems to record time worked by employees and to upload information directly to the financial software. The information is used to calculate pay for the

employees and to track absences and compensatory time. Such automated systems record time and absences and provide a record to ensure FLSA compliance. Some entities have reported enough savings in overtime and incorrect payroll payments to pay for the system.

For example, one vendor estimated that for 2,000 employees, the annual error rate on payroll calculations alone could be as high as $360,000. When calculating in the other savings from streamlined operations and more accurate accounting and reporting, that savings number could go as high as $550,000 annually.

Recommendation 43:

Competitively procure and implement an automated timekeeping system for employees.

HCCS should purchase a timekeeping system that is designed to handle the number of HCCS employees and work locations. Work locations like 3100 Main should install time recorders at the main building entry to reduce the number of time recorders purchased. HCCS should use the automated system to track employee absences and compensatory time. The electronic time cards required can be incorporated in an identification card for all HCCS employees.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The chancellor directs the vice chancellor for Finance and Administration to competitively procure an automated timekeeping system.	July 2003
2.	The vice chancellor for Finance and Administration meets with Information Technology, Payroll and Purchasing staff to determine appropriate specifications for the bid.	August 2003
3.	The executive director of Purchasing prepares and issues the bid for the automated timekeeping system.	September 2003
4.	The executive director of Purchasing receives and tabulates the bids and schedules demonstrations of the timekeeping systems.	October 2003
5.	The vice chancellor for Finance and Administration meets with Information Technology, Payroll and Purchasing staff to determine the appropriate system to recommend to the board for approval.	October 2003
6.	The vice chancellor for Finance and Administration recommends a timekeeping system to the board for approval and receives approval for purchase and funding of the timekeeping system.	November 2003

| 7. | The vice chancellor for Finance and Administration directs the implementation of the automated timekeeping system. | December 2003 |

FISCAL IMPACT

The fiscal impact of this recommendation is based on the one-time cost of obtaining an automated timekeeping system for HCCS employees and on estimated payroll savings for overpayments and errors. The estimated one-time cost of $290,000 for the system is based on a quote for a comprehensive timekeeping system with time recorders at 28 locations for 2,000 employees. If the system could generate as little as 10 percent of the vendor's estimated savings of $550,000 annually, HCCS' savings would be $55,000 each year. In the first year, savings are estimated to be $36,667 ($55,000 ÷ 12 months x 8 months) because implementation is in December 2003 and savings would begin in January 2004.

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08
Competitively procure and implement an automated timekeeping system for employees.	$36,667	$55,000	$55,000	$55,000	$55,000
One-time cost to purchase timekeeping system.	($290,000)	$0	$0	$0	$0
Net (Costs)/Savings	**($253,333)**	**$55,000**	**$55,000**	**$55,000**	**$55,000**

Chapter 5
FINANCIAL MANAGEMENT

D. Accounting Procedures and Internal Financial Controls

Accounting is one of the most important business functions for an institution. Although regulations and accounting standards exist, actual practices vary throughout the state. A sound accounting and payroll system can provide numerous benefits including timely reporting on the status of funds, internal controls and safeguards and systematic disbursements to maximize available funds.

Accounting policies, procedures and operations must be evaluated. Key areas include segregation of duties, integration of funds into the central accounting system, use of hardware and software systems and staff training programs to update employees on changing requirements.

HCCS uses an ERP system to maintain its financial records. This comprehensive system provides all the information necessary to manage HCCS finances, including the general ledger, subsidiary ledgers and comparative financial reports for the period and for year-to-date. The ERP system includes an encumbrance module that HCCS uses to ensure that expenditures do not exceed the budget. This module places a hold on budgeted funds as soon as a PO is entered and will not accept the PO if sufficient funds are not available.

HCCS maintains online financial information for all budget managers. Budget managers run queries and generate reports from their desktops with the ERP system. HCCS began using the ERP system in 2001. The start-up of the ERP system was not successful, and a number of employees said that lack of software training was a major contributing factor. While most agree that the conversion process was not a good one, most think the software is adequate to meet the needs of the system. However, most of the staff said that HCCS is not using the software to its potential.

The executive director of Business Affairs oversees HCCS' accounting functions. **Exhibit 5-15** shows the organization of Business Affairs.

Exhibit 5-15
HCCS Business Affairs Organization

February 2003
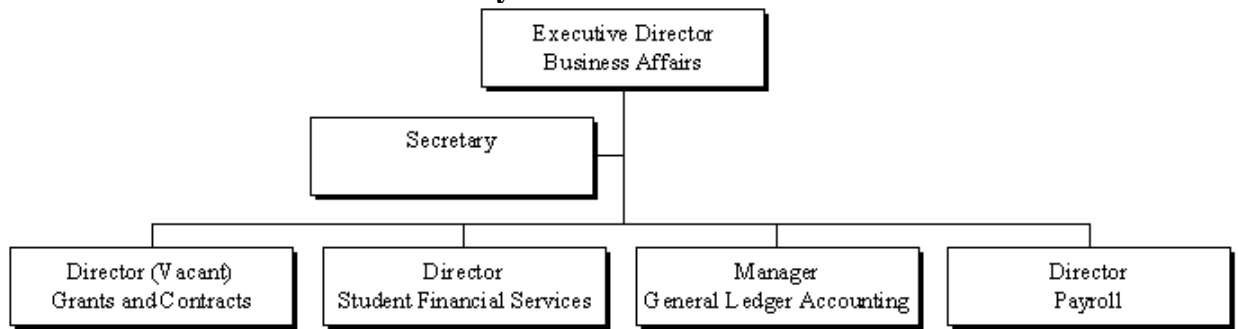
Source: HCCS, vice chancellor for Finance and Administration.

Grants and Contracts operates as a self-contained accounting function for the restricted funds HCCS gets from student grants for tuition, federal grants for program operation and state and local grants for tuition and programs. The department has a senior accountant, a budget specialist, an accounts payable specialist and an office assistant. The executive director of Business Affairs was formerly the director, but the director position is now vacant. The department works closely with the program managers to ensure that revenues and expenditures are appropriately recorded and that they comply with the grants. This department oversees approximately $45 million in restricted funds.

Student Financial Services is responsible for the maintenance of the student tuition accounts, third-party billing accounts, accounts receivable, student financial aid accounting, distributing refund checks to students and collection of insufficient-fund checks. The department uses an ERP system module for student accounts. The department includes an assistant bursar (vacant), a senior accountant (vacant), seven accounting specialists and an administrative assistant.

General Ledger Accounting handles accounting of system funds, bank reconciliations, preparing the annual financial statements for audit, reconciling the general ledger to subsidiary ledgers with help from individual departments, preparing investment reports, reconciling tax receipts to tax collector statements and overseeing GASB 34 implementation. The department has one senior accountant and four accountants. The manager of General Ledger Accounting performs periodic analytical reviews of the general ledger and the subsidiary ledgers to ensure that the system is functioning properly.

Although the external auditor found no material weaknesses in HCCS' internal controls, the external auditor did write a management letter pointing out concerns and recommendations to improve operations. The management letter includes HCCS' response to the concern and planned

actions to address the concerns. **Exhibit 5-16** summarizes these comments for the 1999-2000 through 2001-02 years.

Exhibit 5-16
External Auditor Management Letter Comments
1999-2000 through 2001-02

Year Audited	Comments
Year Ended August 31, 2002	- Cash excesses and shortages are not reconciled, investigated or resolved in a timely manner. - Credit card receipts were not being reconciled to the statements from the credit card companies appropriately. - Reconciliations between the student financial ERP and the general ledger accounts receivable are not prepared. - Third party receivables are maintained on a separate system from the student financial ERP and no evidence exists that the reconciliations between the two systems are reviewed and differences investigated. - A comprehensive mapping of the interface between the student financial ERP and the general ledger was not available to the bursar's office. - Differences between opening balances, additions, deletions and closing balances exist between the general ledger and the asset register. - The asset register contained items with no or inadequate descriptions and some items contained in the register should have been expensed. - The listing of library books, audio and visual materials did not include the date of purchase and original cost. - HCCS maintains a prepayment balance of approximately $300,000 to $400,000 with one of its largest suppliers of books. - Several instances were noted where the period for payment to vendors exceeded the prompt payment law.
Year EndedAugust 31, 2001	- No policy exists to routinely change passwords or restrict access to the information technology systems to certain hours of the day or days of the week. - Minimal user documentation concerning the financial accounting transactions generated by the ERP modules exists. - Errors in and incomplete documentation exists for students who applied for financial aid. - Refunds of Federal financial aid were not made within

	30 days of the date the student officially withdrew from the system.
	• The reconciliation process between the invoiced receivables subsidiary system and the control account system indicates errors exist.
	• No documentation of board member training required by the Public Funds Investment Act exists.
	• The minutes for the meetings of the board are not prepared in a timely fashion.
Year EndedAugust 31, 2000	• Appropriate internal controls were not implemented to ensure that supporting information for the budget was adequate.
	• The accounting policies and procedures manual does not reflect current operating practices of the system.
	• Monthly financial reports for the board did not include information on the plant fund.
	• The internal audit division does not use computer assisted audit techniques.
	• Bank account reconciliations for the operating account were not completed in a timely manner.
	• The system has 35 bank accounts.
	• Several checks have been outstanding for more than three years.
	• Bank statements, cancelled checks and deposit slips are received in paper documentation formats.
	• The system's use of cash in service activities could be reduced to provide stronger internal controls.
	• The policy related to scholarship contributions should be reviewed.
	• Funds available for loans to students were not used.
	• Student receivable balances have increased due to the reconciliation of the accounts.
	• A detail listing that supports the amount of receivables outstanding related to amounts owed on non-sufficient fund checks cannot be generated.
	• Not all voucher packages were cancelled to indicate the vendor's invoice had been processed and paid.
	• The system makes many payments using the direct pay process.
	• Payments were made to vendors between 30 and 45 days after receipt of the invoice.
	• Not all personnel are using the electronic meeting tools purchased to assist personnel in organizing meetings and calendars.

	• The financial statements do not include the operations of the Houston Community College System Foundation. • The system is required to implement GASB 34 during the fiscal year ending August 31, 2002.

Source: External auditors' management letters, 1999-2000 through 2001-02.

HCCS takes appropriate action to address most management letter comments, as indicated by the lack of recurring comments. In January 2003, HCCS implemented the external auditor's recommendations on the third-party contracts, billings and receivables for contracts for services. Contracts for services represent third-party billings for instructional services for employees or program participants who attend workforce programs, specialized instructional programs and other classes at another party's expense. HCCS must account for participants' attendance and then bill the sponsoring organization.

Contracts for services are negotiated by HCCS administration, and the individual colleges provide the instructional service. The Student Financial Services Department establishes a billing code for the students who attend the programs to use to register for the program. After completion of the course, the third party who contracted for the service is billed, based on how many students used the billing code to register for the instructional programs. The student financial ERP module now supports the registration and billing process to eliminate the need to reconcile the two systems.

FINDING

HCCS does not have an up-to-date accounting policies and procedures manual. The current manual describes in detail how to complete transactions on a system that HCCS no longer uses. The manual has not been updated since the ERP system was installed and financial management functions were reorganized.

HCCS began using the ERP system in 2000-01, and the financial management functions were reorganized in 2001-02. The external auditor recommended updating the manual in the 1999-2000 management letter. In the 2000-01 letter, HCCS said the update would be completed in 2001-02.

The accounting procedures manual documents HCCS accounting policies and procedures and informs users of existing controls and the processes used to create and complete financial transactions. The manual describes

system procedures and explains their purpose in the internal control structure.

The GFOA states that accounting manuals should include the policies and procedures for accounting and other financial functions, such as accounts payable, payroll, budgeting, investments, cash receipts and financial reporting.

Many governmental entities have accounting policy and procedure manuals that define the authority and responsibility of all financial management employees. They use this documentation to define the employee responsible for specific tasks, and to indicate who can authorize transactions and who is responsible for the security of records and assets. These entities update accounting manuals annually and when there are changes. Accounting manuals are a valuable resource in training new employees and in providing accountability for the accounting and finance functions.

Recommendation 44:

Complete the update of the accounting manual and institute an annual process.

HCCS should update the policy and procedure manual for financial management functions to include the organization and operating procedures. An updated manual will help new employees to work within the HCCS financial system. The updated manual should be used to train new employees.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The chancellor directs the vice chancellor for Finance and Administration to complete the update of the accounting manual.	August 2003
2.	The vice chancellor for Finance and Administration directs the executive directors of the financial functions to complete the update to their respective sections of the manual by October 2003.	September 2003
3.	The vice chancellor for Finance and Administration compiles the sections, produces an updated manual and distributes the manual to financial management employees for review and revision.	October 2003
4.	The vice chancellor for Finance and Administration makes revisions, presents the manual to the chancellor for review and approval and receives approval.	November 2003
5.	The vice chancellor for Finance and Administration distributes	December

	the manual to all HCCS employees by posting it on the HCCS Web site.	2003
6.	The vice chancellor for Finance and Administration institutes a process whereby the accounting manual is systematically reviewed and updated.	Annually Thereafter

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 5
FINANCIAL MANAGEMENT

E. Reporting

More than 75 percent of the funds appropriated to general academic institutions are allocated by funding formulas designed to equitably allocate funds. Consequently, accurate, timely reporting of data is critical for HCCS to receive the appropriate amount of funds. Such reports help to ensure that departments and colleges are as effectively and efficiently run as possible.

The Financial and Budgetary Control Department is responsible for interim financial reporting at the system and college level. Financial and Budgetary Control is also responsible for reporting to the THECB and other entities. Financial and Budgetary Control supports generation of the Legislative Appropriations Request submitted to the Governor and the Legislative Budget Board. The registrar is responsible for submitting student information to THECB. The General Accounting office issues annual audited financial statements and submits quarterly and annual investment reports to the SAO. Budget managers analyze financial system information and produce detailed reports.

FINDING

HCCS produces comprehensive interim financial statements for the board, the administration and the colleges and monthly summary financial statements for management. The statements analyze financial activity on a consolidated basis. The analysis covers revenue and expenditure accounts and a projection of end-of-year expenditures compared to budget. They provide summary information about the colleges and system, including trend analysis on revenues and expenditures for the current period and for the previous year. The statements present information on the current and plant funds of the system, and they include an adjusted budget for revenues and expenditures, year-to-date revenues and expenditures, previous year's year-to-date expenditures and a projection for the end of the fiscal year.

A second set of financial statements is generated for the colleges. These have some of the same information as the summary financial statements and more detail on the individual colleges, the whole system and the vice chancellors' budgets. An adjusted budget for revenues and expenditures, year-to-date revenues and expenditures, previous year's year-to-date expenditures and a projection for the end of the fiscal year are presented for each college and each vice chancellor.

COMMENDATION

HCCS produces comprehensive monthly interim financial statements for the board, the administration and the colleges.

FINDING

The HCCS account code structure does not facilitate financial reporting for functional classifications or special projects and system initiatives, such as the recruitment and retention initiative that had an $800,000 2001-02 budget. As a result, HCCS cannot produce a financial report for the recruitment and retention initiative by querying a single code. The account code structure contains 19 digits divided among five components: fund, department, sub account, program and class for each line item in the general ledger. **Exhibit 5-17** shows the account code structure used by HCCS.

Exhibit 5-17
HCCS Account Code Structure

Fund	Department	Sub Account	Program	Class
####	####	#####	###	###

Source: HCCS, System Accounting Operations Account Information, November 2002.

The fund component is four digits and designates fund type and specific fund. The department component is four digits and designates the department. The last digit shows whether the department is at a college or the system. The sub account component is five digits; the first digit is the type of account and the others specify the purpose. The program component is three digits and denotes the purpose of the account. The class component is also three digits and presents the same information as the last digit in the department component of the account code.

The account code structure includes the natural classifications used in THECB financial reports and audited financial statements, but it does not include the functional classifications. These are instruction, public service, academic support, student services, institutional support, operations and maintenance of plant, scholarships and fellowships, auxiliary services and depreciation. For its external reports, HCCS must run queries based on the department and program components of the account code structure to compile information for the functional classifications. The amounts from the queries are "cross-walked" into the function classifications for reporting, which increases the possibility of error. **Exhibit 5-18** presents

the accounts queried to build the public service function expenditures for the 2001 cost study.

Exhibit 5-18
Public Service Function Query
2000-01

Function	Department	Program	Department Title	Program Name
PUBLIC SERVICE	0511	112	Public Info Gen. Svs.	Exec Direction & Control
PUBLIC SERVICE	7622	225	Central Campus	Total Dir Of Fine Arts
PUBLIC SERVICE	1311	405	Cable Tv	Extension & Community Ser
PUBLIC SERVICE	1316	405	Cable Tv	Extension & Community Ser
PUBLIC SERVICE	7045	405	Bus Dev/Corporate Training	Extension & Community Ser
PUBLIC SERVICE	7046	405	Bus Dev/Corporate Training	Extension & Community Ser
PUBLIC SERVICE	7062	405	Coord Cont Ed/Instr Admin	Extension & Community Ser
PUBLIC SERVICE	7063	405	Coord Cont Ed/Instr Admin	Extension & Community Ser
PUBLIC SERVICE	7064	405	Coord Cont Ed/Instr Admin	Extension & Community Ser
PUBLIC SERVICE	7065	405	Coord Cont Ed/Instr Admin	Extension & Community Ser
PUBLIC SERVICE	7066	405	Coord Cont Ed/Instr Admin	Extension & Community Ser
PUBLIC SERVICE	3934	454	Drafting	Instrl Adm Ext & Comm Ser
PUBLIC SERVICE	7072	454	Coord Comm.Dvlp.	Instrl Adm Ext & Comm Ser
PUBLIC SERVICE	7076	454	Coord Comm.Dvlp.	Instrl Adm Ext & Comm Ser
PUBLIC	7194	454	Coord.Public Svs Cont.	Instrl Adm Ext

SERVICE				& Comm Ser
PUBLIC SERVICE	7062	402	Coord Cont Ed/Instr Admin	Instructional-Tech. Ed.
PUBLIC SERVICE	7063	402	Coord Cont Ed/Instr Admin	Instructional-Tech. Ed.
PUBLIC SERVICE	7065	402	Coord Cont Ed/Instr Admin	Instructional-Tech. Ed.
PUBLIC SERVICE	7066	402	Coord Cont Ed/Instr Admin	Instructional-Tech. Ed.
PUBLIC SERVICE	7124	405	Comm.Srv/Instr.Admin	Extension & Community Ser
PUBLIC SERVICE	7134	405	Adult Evening High School	Extension & Community Ser
PUBLIC SERVICE	7164	405	Drivers Ed (High School)	Extension & Community Ser
PUBLIC SERVICE	7173	405	Agriculture/Horticulture Non-C	Extension & Community Ser
PUBLIC SERVICE	7182	405	Child Care Dev Lab School	Extension & Community Ser
PUBLIC SERVICE	7253	405	WorkKeys Center	Extension & Community Ser
PUBLIC SERVICE	8244	405	Alternative Education Program	Extension & Community Ser
PUBLIC SERVICE	9824	405	Commercial Truck Driving	Extension & Community Ser
PUBLIC SERVICE	7062	415	Coord Cont Ed/Instr Admin	Corporate Training
PUBLIC SERVICE	7063	415	Coord Cont Ed/Instr Admin	Corporate Training
PUBLIC SERVICE	7065	415	Coord Cont Ed/Instr Admin	Corporate Training
PUBLIC SERVICE	7066	415	Coord Cont Ed/Instr Admin	Corporate Training
PUBLIC SERVICE	7134	454	Adult Evening High School	Instrl Adm Ext & Comm Ser
PUBLIC	8244	454	Alternative Education	Instrl Adm Ext

SERVICE			Program	& Comm Ser
PUBLIC SERVICE	9824	454	Commercial Truck Driving	Instrl Adm Ext & Comm Ser

Source: HCCS, THECB Cost Study Elements 2000-01, January 2003.

HCCS disagreed that the coding structure did not facilitate financial reporting for functional classifications and believes the ERP can produce financial information in any format necessary. HCCS said, "The department/program coding is a depiction of the functional classification, and the PeopleSoft ERP is flexible enough to report in any combination of the account code structure. The Public Service function is a special situation in that, at the time of budget definition, the programs to be offered by the Contract Training group have not yet been defined. Therefore, it is impossible to build the budget to a lower level of detail. It is necessary to have the crosswalk in order to most accurately report our course offerings after the fact to the state for appropriations purposes." HCCS provided information about the program codes and related functions to show how the current coding structure depicts the functional classifications. However, some program codes were found in several functions, in addition to the function attributed to that program code, when the underlying elements for the 2002 THECB cost study were reviewed. This indicates that the crosswalk with program and department codes is necessary to obtain functional expenditure information.

Many community colleges include the function classification as part of the account code structure. These colleges are able to prepare financial statements for external entities without "cross-walking" the information for reporting purposes, thereby eliminating the possibility of errors in the process.

Recommendation 45:

Change the account code structure to include functional classifications for external reporting purposes.

HCCS should change the class component of the account code structure to include the functional classifications used for external reporting. HCCS should also consider using this component to assign codes for tracking major initiatives.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The chancellor directs the vice chancellor for Finance and Administration to change the account code structure to include	August 2003

	functional classifications used in external reporting.	
2.	The vice chancellor for Finance and Administration and the executive directors of the financial functions meet to determine the best way to include the functional classifications in the account code structure.	September 2003
3.	The vice chancellor for Finance and Administration presents the plan to modify the account code structure to the chancellor for review and approval.	October 2003
4.	The vice chancellor for Finance and Administration changes the account code structure and prepares training materials for the next budget cycle.	November 2003
5.	The vice chancellor for Finance and Administration distributes the training materials to the budget managers as part of the budget process.	December 2003

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 6
ASSET AND RISK MANAGEMENT

This chapter reviews Houston Community College System (HCCS) asset and risk management functions in the following sections:

A. Cash Management and Investment Strategies
B. Bond Issuance and Indebtedness
C. Fixed Asset Management
D. Risk Management
E. Accounts Receivable, Tuition and Fee Collection Process

Managing the cash and physical assets of a community college is an ongoing challenge. Cash must be accounted for and prudently invested while maximizing interest earnings and complying with the Public Funds Investment Act (Act). Physical assets must be tracked and inventoried, and fixed asset capitalization policies and procedures must follow National Association of Colleges and University Business Officers (NACUBO) recommendations and comply with Governmental Accounting Standards Board (GASB) statements 34 and 35.

An effective risk management program controls costs by ensuring that an organization is adequately protected against all significant losses, with the lowest possible insurance premiums. This program should include risk identification and measurement and techniques to minimize the impact of risk. Risk is defined as a measurement of uncertainty where the outcome can only be estimated. An institution's insurance programs for employee health, workers compensation and college system assets should be sound and cost effective to protect the system from financial loss and should provide employees with health insurance coverage at a reasonable cost.

Fixed asset management should efficiently and accurately account for system property while guarding against theft and obsolescence. Fixed assets are assets that have been acquired for use in operations. Such assets are generally not for resale and have an estimated useful life of at least one year. Examples include land, buildings, machinery, computer and office equipment and furniture.

BACKGROUND

The vice chancellor for Finance and Administration supervises all system business functions. Until the executive director of Business Affairs and executive director of Financial and Budgetary Control positions were hired in August 2002, the vice chancellor for Finance and Administration also provided oversight of daily management of these functions. Now, the

executive director of Business Affairs oversees cash management activities, bursar function, accounting function and grants. The executive director of Financial and Budgetary Control coordinates risk management, fixed asset management and budgeting functions. **Exhibit 6-1** depicts the HCCS organizational structure for asset and risk management.

Exhibit 6-1
HCCS Asset and Risk Management Organization
2002-03
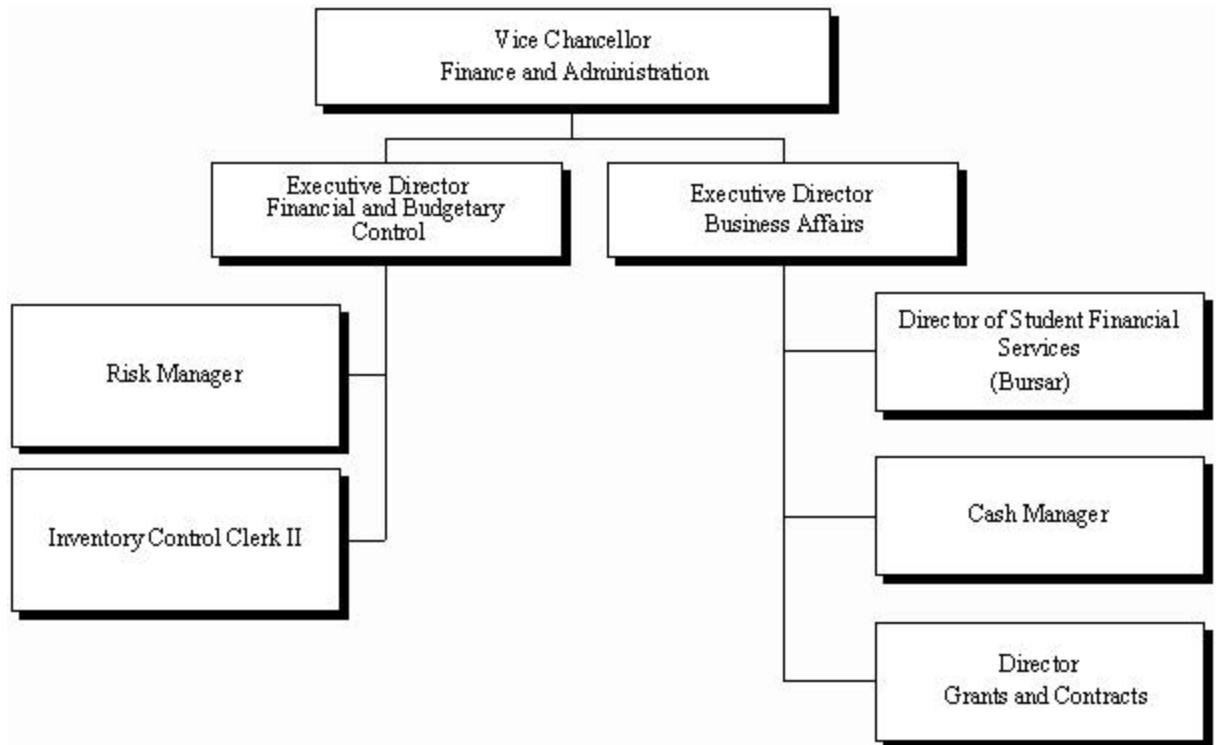
Source: Houston Community College System (HCCS), Finance and AdministrationDepartment, November 2002.

HCCS receives funds from several sources to pay for goods and services. State appropriations provide a majority of the system's funding. The state distributes money to community colleges using a funding formula to pay administrative costs and instructional expenses. The Texas Higher Education Coordinating Board (THECB) performs a detailed cost study each year to determine the administrative and instructional formula base. THECB uses the median cost of academic programs at local community colleges statewide as the basis for the formula rate recommendations. THECB makes funding recommendations to the Texas Legislature based on amounts calculated by the formulas. State appropriations from educational and general revenues, state group insurance and state retirement matching comprise 46.2 percent of 2001-02 system revenue. Student tuition and fees accounted for 26.2 percent. Other operating

revenue, including federal, state, local and nongovernmental grants and contracts, and sales and services totaled 26.7 percent of system revenue, while auxiliary enterprises comprised less than 1 percent. **Exhibit 6-2** provides an overview of 2001-02 system revenues.

Exhibit 6-2
Summary of Operating Revenues
2001-02

Source of Revenue	Educational Activities	Auxiliary Enterprises	Total	Percent of Total
State appropriations	$79,156,860	$0	$79,156,860	46.2%
Tuition and fees*	$44,736,187	$102,627	$44,838,814	26.2%
Other operating revenue**	$44,555,537	$1,114,062	$45,669,599	26.7%
Auxiliary enterprises	$0	$1,589,421	$1,589,421	0.9%
Total Revenue	**$168,448,584**	**$2,806,110**	**$171,254,694**	**100%**

Source: HCCS Annual Financial Report, August 31, 2002.
*Note: Includes scholarship allowances and discounts.
**Note: Includes federal, state, local and non-government grants and contracts; sales and services and other operating revenues.

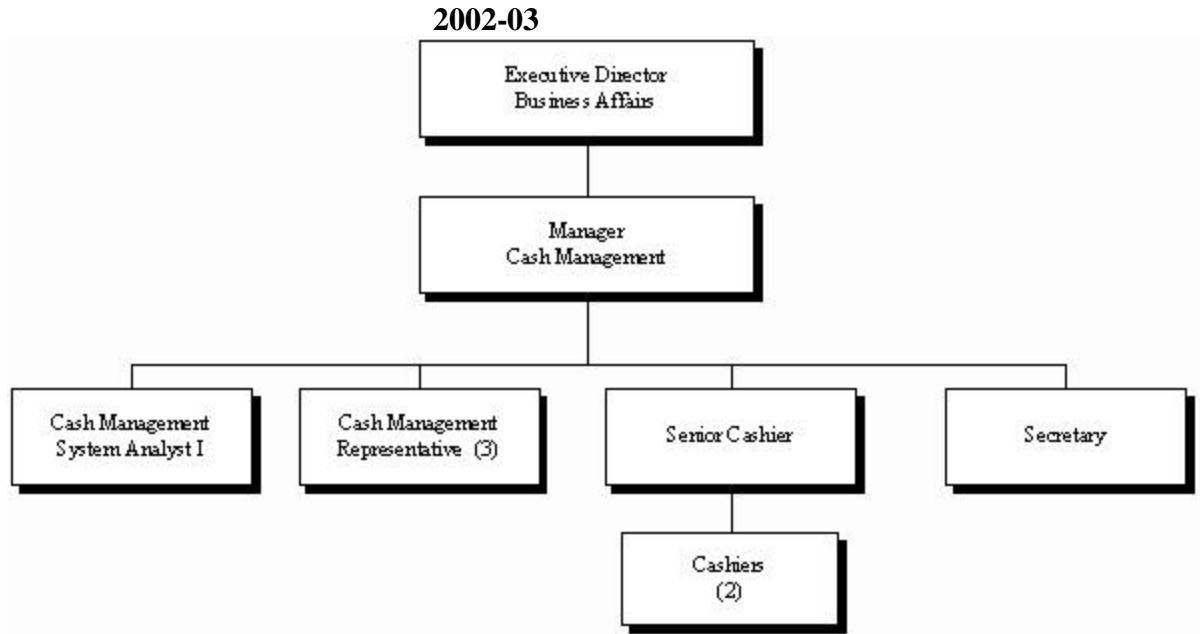# Chapter 6
ASSET AND RISK MANAGEMENT

A. Cash Management and Investment Strategies (Part 1)

The Cash Management Department ensures that funds in transit move safely and on time and maintains an optimum cash position. (The bursar staff processes student receivables, which will be discussed in greater detail in subsequent sections of this chapter.) The primary duties of the Cash Management Department include:

- monitoring daily banking activity;
- managing Automated Clearing House (ACH) transactions and wire transfer activity;
- reconciling credit card transactions;
- managing relationships with banks, credit card companies and check guarantee services;
- processing positive pay files that contain a listing of all checks that have been presented to the bank for payment;
- maintaining unclaimed property files;
- verifying daily manual deposits;
- tracking vouchers and providing backup to Accounts Payable;
- processing vendor payment and student refund checks;
- processing manual credit card refunds;
- reviewing and approving mileage and travel reimbursement requests; and
- maintaining an inventory of systemwide depository bags and deposit tickets.

Exhibit 6-3 presents the organizational structure of the Cash Management Department at HCCS.

Exhibit 6-3
HCCS Cash Management Department Organization

2002-03

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                    ┌─────────────────────┐
                    │  Executive Director │
                    │  Business Affairs   │
                    └──────────┬──────────┘
                               │
                    ┌──────────┴──────────┐
                    │      Manager        │
                    │  Cash Management    │
                    └──────────┬──────────┘
          ┌────────────┬───────┴──────┬──────────────┐
  ┌───────┴──────┐ ┌───┴──────────┐ ┌─┴─────────┐ ┌──┴────────┐
  │Cash Management│ │Cash Management│ │  Senior   │ │ Secretary │
  │System Analyst I│ │Representative(3)│ │ Cashier  │ │           │
  └──────────────┘ └──────────────┘ └─────┬─────┘ └───────────┘
                                     ┌─────┴─────┐
                                     │  Cashiers │
                                     │    (2)    │
                                     └───────────┘
```

Source: HCCS Cash Management Department, November 2002.

During the review team's visit in November 2002, HCCS was in the process of executing its depository bank contract. Sections 45.201 and 45.205 of the Texas Education Code (TEC) require HCCS to seek bids for its depository bank every four years. The prior contract had been in effect since 1997. HCCS chose Bank of America to continue providing its banking services for a two-year period, with an option to renew for one additional two-year term. The new banking contract offers the following features: free check cashing for HCCS staff and employees; check imaging (front and back), stored on CD-ROM; controlled disbursement of all checks to be presented for payment each day; and electronic funds transfer.

The two-year contract will cost $142,630. HCCS administration personnel estimate that by maximizing the use of a newly negotiated, favorable earnings credit, the contract will provide in excess of $150,000 in savings over the term of the contract. Using October 2002 banking transactions, **Exhibit 6-4** compares the current and former fee structures.

Exhibit 6-4
HCCS Fee Structure Change
Comparison of 2000-02 and 2002-04 Banking Contracts
October 2002 Transactions

Service	Quantity	2000-02 Unit Price	2000-02 Service Charge	2002-04 Unit Price	2002-04 Service Charge	Savings
Balance-Related Services						
FDIC Assessment	1,845,015		$21.76		$21.76	$0.00
Depository Services						
Account Maintenance	13	$7.50	$97.50	$7.50	$97.50	$0.00
Branch (OTC) Deposit	292	$0.25	$73.00	$0.25	$73.00	$0.00
QBD Quick Business Deposit	300	$0.25	$75.00	$0.25	$75.00	$0.00
Vault Deposit Regular Hours	242	$0.25	$60.50	$0.20	$48.40	$12.10
Deposits/Other Credits	99	$0.25	$24.75	$0.25	$24.75	$0.00
Debits Posted - Other	5	$0.07	$0.35	$0.07	$0.35	$0.00
Non-Cash Deposit Correction	3	$5.00	$15.00	$3.00	$9.00	$6.00
Checks Paid - Regular	11,150	$0.07	$780.50	$0.06	$669.00	$111.50
Deposits - Other Credits	3	$0.25	$0.75	$0.25	$0.75	$0.00
ZBA Service - Master	1	$25.00	$25.00	$25.00	$25.00	$0.00
ZBA Service - Subsidiary Accounts	7	$15.00	$105.00	$10.00	$70.00	$35.00
Returned Item	46	$3.00	$138.00	$2.00	$92.00	$46.00
Deposited Item	2,176	$0.05	$108.80	$0.05	$108.80	$0.00
Electronic Debit	90	$0.16	$14.40	$0.08	$7.20	$7.20

Electronic Credit	620	$0.60	$372.00	$0.25	$155.00	$217.00
Commercial Deposits - Cash Vault						
QBD Night Drop - per $100	868	$0.10	$86.80	$0.07	$60.76	$26.04
Banking Center JMM Verification	692	$0.125	$86.50	$0.08	$55.36	$31.14
Commercial Deposit - Vault	599	$0.08	$47.92	$0.05	$29.95	$17.97
Cash Deposit per $100	30	$0.09	$2.70	$0.06	$1.80	$0.90
Deposit Correction - Cash	1	$5.00	$5.00	$3.00	$3.00	$2.00
Coin per Roll - Banking Center	18	$0.08	$1.44	$0.05	$0.90	$0.54
Coin per Roll - Vault	220	$0.08	$17.60	$0.05	$11.00	$6.60
Coin Purchased - Roll - Stdbox Vault	50	$0.08	$4.00	$0.05	$2.50	$1.50
Vault Change Order - per Change	4	$2.00	$8.00	$1.50	$6.00	$2.00
Change Order Fee Banking Center	7	$2.00	$14.00	$1.50	$10.50	$3.50
Currency Supplied - per $100 - Vault	6	$0.10	$0.60	$0.05	$0.30	$0.30
Currency Supplied - per $100 - Banking Center	11	$0.12	$1.32	$0.08	$0.88	$0.44
Night Deposit - Non-Std. Bag	27	$1.25	$33.75	$1.25	$33.75	$0.00
General ACH Services						

Reversals	2	$7.50	$15.00	$8.00	$16.00	($1.00)
Return Item - NOC	48	$2.50	$120.00	$2.00	$96.00	$24.00
Return Item - Notification Fax	14	$3.00	$42.00	$2.00	$28.00	$14.00
Consumer Two-Day Credit	6,163	$0.05	$308.15	$0.05	$308.15	$0.00
Consumer Maintenance	1	$15.00	$15.00	$10.00	$10.00	$5.00
Consumer Input PC	4	$10.00	$40.00	$10.00	$40.00	$0.00
Wire Transfer						
Manual Wire Book - Debit	1	$3.50	$3.50	$2.00	$2.00	$1.50
Incoming Domestic Wire	3	$8.00	$24.00	$5.00	$15.00	$9.00
Wire Advice - Mail	54	$1.00	$54.00	$1.00	$54.00	$0.00
Manual Wire Out - Domestic	50	$10.00	$500.00	$6.00	$300.00	$200.00
Account Reconciliation						
Full Maintenance	3	$50.00	$150.00	$50.00	$150.00	$0.00
Deposit Maintenance	1	$35.00	$35.00	$35.00	$35.00	$0.00
Sort Reconciliation Maintenance	4	$10.00	$40.00	$10.00	$40.00	$0.00
Sort Reconciliation Item	11,150	$0.01	$111.50	$0.01	$111.50	$0.00
Manual Issue Input per Item	2	$1.00	$2.00	$0.50	$1.00	$1.00
Deposit Item	642	$0.05	$32.10	$0.04	$25.68	$6.42
Full Positive Pay Account	3	$0.00	$0.00	$0.00	$0.00	$0.00

Full Positive Pay Item	11,150	$0.00	$0.00	$0.00	$0.00	$0.00
Full Reconciliation Item Transactions	20,300	$0.07	$1,421.00	$0.07	$1,421.00	$0.00
Account Reconciliation						
Full Reconciliation Output File Transaction	2	$20.00	$40.00	$10.00	$20.00	$20.00
Deposit Reconciliation Output Tape	1	$15.00	$15.00	$25.00	$25.00	($10.00)
Information Services						
Encore + Previous Day Maintenance, LTD - Mo	1	$35.00	$35.00	$30.00	$30.00	$5.00
Encore + Per Account Maintenance, LTD - Mo	14	$10.00	$140.00	$10.00	$140.00	$0.00
Encore + Previous Day Detail Item	52,758	$0.07	$3,693.06	$0.05	$2,637.90	$1,055.16
Terminal Stop Payment	31	$5.00	$155.00	$5.00	$155.00	$0.00
Terminal Stop Payment Inquiry/Cancel	3	$1.00	$3.00	$0.50	$1.50	$1.50
Encore + Current Day Maintenance, LTD - Mo	1	$35.00	$35.00	$40.00	$40.00	($5.00)
Miscellaneous						
Cashier's Checks	1	$3.00	$3.00	$3.00	$3.00	$0.00

CPA Confirmation per Request	1	$3.00	$3.00	$3.00	$3.00	$0.00
Total Service Charges			**$9,257.25**		**$7,402.94**	**$1,854.31**

Although HCCS has elected not to use interest-bearing accounts in their new depository contract, the system earns credits to offset banking fees. The current earnings credit is the 91-day Treasury bill rate plus 75 basis points multiplied by the daily collected balance. According to the existing depository contract, the average overnight interest rate is 1.01 percent. The bank charges $125 per month for its sweep service.

In accordance with the Public Funds Investment Act, community college systems must adopt local investment policies. The Act requires each entity to maintain a written investment policy that emphasizes the safety of principal and liquidity and that addresses investment diversification, yield, maturity and the quality and capability of investment management. In addition, the Act requires the investment policy to include specific elements. The policy must document a list of investments in which the college funds may be invested and the maximum allowable stated maturity of any individual investment owned by the college. In addition, the maximum allowable average dollar-weighted maturity of any individual pool invested in by the entity, based on the stated maturity date of the portfolio, must be included in the investment policy.

In addition to suitability and financial requirements, the investment must fit within the following HCCS investment policy guidelines:

- preservation and safety of principal: the investment objective should focus on low-risk investments, such as government bonds and money market securities;
- liquidity: the investment must be easily convertible to cash without significant loss;
- marketability: HCCS should be allowed to buy or sell the investment quickly and easily. Usually marketability is interchangeable with liquidity, but liquidity implies preservation of the value when a security is bought or sold;
- diversification: HCCS should spread its risk by putting its assets in several investment categories; and
- yield: HCCS should earn a reasonable rate of return or profit on the investment, expressed as an annual percentage rate.

The Act permits public entities to invest in a variety of ways, as summarized in **Exhibit 6-5.**

Exhibit 6-5
Public Funds Investment Act - Authorized Investments

Investment Instrument	Description
Bank Deposits & CDs	Demand deposits in bank accounts and certificates of deposits issued by banks.
Governmental Agency Obligations	Obligations issued by U.S. governmental agencies such as the Federal National Mortgage Association ("Fannie Mae").
U.S. Treasury Securities	Treasury bills: Short-term obligations with maturities of one year or less. Treasury notes: Medium-term obligations with maturities of one year to 10 years. Treasury bonds: Long-term obligations with maturities of more than 10 years.
Investment Pools	Public investment funds that allow governmental entities to pool idle cash with other governmental entities to achieve liquidity, safety of principal and the highest possible investment return (Logic, TexPool, Lone Star). Participating entities own a pro-rata share of the underlying assets of the fund in which they participate.
Commercial Paper	Short-term obligations with two- to 270-day maturities, issued by banks, corporations and other borrowers. The commercial paper must meet credit guidelines of nationally recognized credit reporting agencies.
Bankers' Acceptance	Time drafts drawn on and accepted by a bank with maturities of less than 270 days that meet strict credit requirements.
No-Load Money Market Mutual Funds	Pooled funds registered and regulated by the Securities and Exchange Commission that invest in highly liquid and safe securities, including the instruments discussed above. The fund must not charge a sales commission.
Guaranteed Investment Contract	Contracts secured by governmental obligations.

Source: Chapter 2256 of the Texas Government Code.

HCCS investment policy allows all investment vehicles identified in the Act. The primary focus of its investment strategy is to preserve the

security of invested funds and to maintain adequate liquidity levels to cover its short-term cash obligations. The system has a conservative investment strategy that includes investing excess cash in TexPool, money market funds and federal agency funds. TexPool is a local government investment pool created for Texas entities whose investment objectives are preservation and safety of principal, liquidity and yield. TexPool objectives adhere to the Act's guidelines.

FINDING

HCCS makes effective use of zero-balance accounts (ZBAs) to manage cash disbursements to vendors and employees. A ZBA is a stand-alone checking account that maintains a set balance at all times. The balance can be zero or any other balance desired. The account is tied via the bank's computer to another account designated as the master or concentration account, which holds all the funds from which monies are to be disbursed. As checks clear the ZBA, the required collected funds are moved from the master account to the ZBA to pay all checks presented for payment that day and to maintain the designated balance. The current operating account is HCCS' main operating account, which operates as the master account for transactions from the ZBA accounts. The system identifies the accounts to be tracked and keeps those monies separate for reporting purposes. The HCCS payroll account, accounts payable clearing account, tuition/fees account, auxiliary enterprises account and the account for state, local and federal restricted funds are ZBA accounts. These accounts:

- provide an easy audit trail for disbursements or deposits made for a specific purpose such as payroll;
- eliminate manual transfers of funds from one account to another, freeing staff to perform other duties;
- reduce the need to monitor cash balances in numerous accounts to ensure availability of adequate funds;
- enhance control of daily cash flow; and
- make excess cash available for investment or debt reduction instead of the funds sitting idle in a checking account while payments clear the payee's bank.

HCCS maintains 12 checking accounts at its depository institution, seven of which are ZBAs. **Exhibit 6-6** summarizes the HCCS checking accounts and the balance in each account as of October 31, 2002.

Exhibit 6-6
HCCS Checking Accounts
Bank of America
as of October 31, 2002

Account Name	Zero-Balance Account	Interest-Earning Account*	Balance October 31, 2002
Retirement of Debt	N	Y	$3,203.93
General Accounts Payable Clearing	Y	N	$0.00
Current Operating	Master	Y	$1,614,501.14
Payroll	Y	N	$0.00
Tuition/Fees and Other Campus Deposits	Y	N	$0.00
State and Local Current Restricted	Y	N	$0.00
Federal Restricted	Y	N	$0.00
Plant Fund	N	Y	$0.00
Auxiliary Enterprise Fund	Y	N	$0.00
2001 A Bond Debt Service Reserve	N	N	$307.51
2001 A Bond Sinking and Interest	N	Y	$0.00
2001 A Bond Proceeds	N	Y	$45,179.33

Source: Bank of America, HCCS bank statements as of October 31, 2002.
*Note: Under HCCS' new depository contract in effect through 2004, HCCS uses earning credits to offset banking fees and does not use interest-earning accounts.

Chapter 6
ASSET AND RISK MANAGEMENT

A. Cash Management and Investment Strategies (Part 2)

COMMENDATION

HCCS has implemented zero-balance accounts to reduce the amount of time spent monitoring daily cash balances, to decrease the number of funds manually transferred between accounts and to increase the availability of funds that can be invested.

FINDING

HCCS has taken positive steps to protect itself from fraud. In the past, the system has had problems with fraudulent checks being presented for payment. In one instance, HCCS discovered that a ring of individuals had set up a check-writing process. The group scanned the HCCS account number and the appropriate signatures into a check-writing software package. The HCCS Police Department investigated the matter and exposed the group.

At its depository institution, HCCS has "positive pay," a check-fraud detection service offered by banks that matches HCCS' check-issued information with the checks presented for payment each day. If the amount or the check number does not match that information, the bank identifies the unmatched item and reports it to HCCS. Each morning the cash management representative obtains data from the bank accounts online and receives the positive pay report, which lists all checks presented for payment. The cash management representative has until 10 a.m. each day to respond to the report. Any suspicious checks are not approved for payment.

In addition, HCCS receives a daily online banking ("Encore") report that provides details of the prior day's banking activity. HCCS reviews the report each day to ensure that all transactions are appropriate.

Finally, HCCS contracted with TeleCheck to reduce the number of checks returned for insufficient funds. TeleCheck provides electronic check payment services such as check guarantee, check verification, electronic check conversion and collection.

COMMENDATION

HCCS has taken steps to protect itself against check fraud.

FINDING

HCCS has no long-term cash forecasts in place, and the daily cash-flow forecasting procedure does not effectively ensure the system meets its daily cash obligations. Although the financial management system that HCCS uses includes a cash forecast function, HCCS does not use it. The staff said that the financial management system cash forecast function is a short-term tool

and requires that estimates be prepared. The executive director of Business Affairs, under the supervision of the vice chancellor for Finance and Administration, manages the institution's daily cash position process, which is performed manually. A cash management representative prints and reviews the online banking report each morning. The manager of Cash Management, the executive director of Business Affairs and the vice chancellor for Finance and Administration also review this report. A handwritten calculation of the current balance less the outstanding cash obligations, including payroll and vendor check runs, is performed to determine short-term cash requirements. The executive director of Business Affairs keeps on hand only the amount of cash needed to meet the accounts payable and payroll obligations of the day. The only exceptions occur during major construction when HCCS leaves $5.2 million in the bank to cover large construction expenditures until invested construction funds can be withdrawn, and when available funds are set aside on the first of October and the first of April to cover debt services.

HCCS receives cash receipts throughout the year. State appropriations are sent on or before the 25th of each month, except January and February. The system obtains local property taxes during December through February. After February, HCCS receives delinquent taxes through the remainder of the fiscal year. The system obtains tuition and fees in August, September, January, February and June each year and posts interest earnings at the end of each month.

According to bank statements, the ending balance in the system's current operating account as of April 30, 2002 was a negative $1,122,531. Bank of America has returned checks written on HCCS bank accounts due to insufficient funds. As a result, TeleCheck lists HCCS as a returned check vendor. In one case, a hotel where an administrator was staying would not accept an HCCS check because HCCS was listed on the TeleCheck report. To ensure that this situation does not recur, HCCS has requested that TeleCheck use the system's positive pay report and/or call HCCS before rejecting an HCCS check.

Only the chancellor, vice chancellors and college presidents have HCCS credit cards for travel expenses. Many hotels do not accept a purchase order for lodging, so staff members must use pre-printed checks to pay. If the hotel is a member of TeleCheck and refuses to accept an HCCS check, the staff member must use a personal credit card to cover lodging charges and be reimbursed. This further damages HCCS' reputation, internally and externally.

Cash-flow management is the process of collecting payments, controlling shortfalls, forecasting cash needs, investing idle funds and compensating the banks that support these functions. Effective cash-flow management can be practiced to a point where every available dollar works to cover payment of checks or to produce income. Because of uncertain cash flow, effective cash managers use forecasts and match incoming receipts with disbursements. Forecasts are based on cyclical patterns and trends. They are divided into short-term (one day to two weeks), medium term (a few weeks to one or two years) and long-term (one to several years). Integrating information into the forecast quickly with a "rolling" format for continuous update helps to ensure that any cash-critical period can be covered.

Recommendation 46:

Develop long-range cash forecasts and automate daily cash-flow forecasting procedures.

The Cash Management Department should consider using the cash forecasting function in the financial management system to automate daily cash-flow forecasting procedures. HCCS should focus on longer-term forecasts. Although daily obligations are usually covered, there have been instances where checks have not been honored. HCCS' reputation suffers every time an HCCS check is not honored. The institution should continue to work with TeleCheck to resolve this problem.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The executive director of Business Affairs and the manager of Cash Management meet with the executive director of Financial Information Systems to evaluate the financial management system cash forecasting function.	July 2003
2.	The executive director of Business Affairs and the manager of Cash Management train in the cash forecasting function in the financial management system and incorporate it into the daily cash management procedures.	August 2003
3.	The executive director of Business Affairs works with the vice chancellor for Finance and Administration to develop short-term, medium-term and long-term cash forecasts.	August - September 2003
4.	The vice chancellor for Finance and Administration includes updated annual cash forecasts in the board packet at the end of each quarter.	October 2003 and Quarterly Thereafter

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

The system accepts unnecessary liability and risk when campus cashiers take deposits to the bank each day. Security guards can accompany the cashiers, but often the cashiers do not request additional security. Several thousand dollars can be collected each day that must be hand-delivered to the bank the next day. This puts campus cashiers at risk and leaves HCCS vulnerable to theft and employee injury. During campus registration, an armored car picks up cash every day at all registration sites. An armored service also makes a twice-daily pickup at the HCCS administration building and at Southeast College. **Exhibit 6-7** shows cash activity at each campus during 2001-02. Daily deposits average between $9,107 and $33,562.

Exhibit 6-7
Cash Collections by College
2001-02

College	Total Cash Deposits	Average Daily Deposits

Central College	$6,315,704.65	$22,966.20
Southeast College	$2,504,386.92	$9,106.86
Southwest College	$9,229,600.00	$33,562.18
Northeast College	$3,139,341.73	$11,415.79
Northwest College	$5,648,103.91	$20,538.56
Total Cash Collected	**$26,837,137.21**	**$97,589.59**

Source: HCCS, Cash Management Department, November 2002.

At the end of each day, cashiers at Austin Community College (ACC) close out their cash sessions and prepare a bank deposit. An armored-car service collects deposits twice a week at the larger campuses and once a week at the small campuses and the central office administration building. The money is stored in a locked safe in the cashier's office until armored-car personnel collect the deposit.

Recommendation 47:

Expand the existing contract with the armored-car company to pick up cash twice weekly at every college.

The system assumes great liability when it allows cashiers to leave HCCS property with large sums of cash. If a cashier were injured enroute to the bank, the system would have to file a workers' compensation claim. HCCS also puts itself at risk of being robbed. An individual could study cashiers' daily patterns to identify when cashiers could be carrying money. An armored-car service would eliminate this potential risk and liability.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The vice chancellor for Finance and Administration determines what the cost would be to expand the existing contract with the armored-car service.	July 2003
2.	The vice chancellor for Finance and Administration reviews the existing contract to determine if a request for proposal (RFP) will be necessary to expand the contract. If so, the vice chancellor for Finance and Administration meets with the executive director of Purchasing to begin the RFP process.	July 2003
3.	The executive director of Purchasing and the specifications writer develop and review the RFP and evaluate the respondents.	July - September 2003
4.	The vice chancellor for Finance and Administration drafts an action item for the board to approve the recommended armored-car service. The proposed pickup schedule is included in the action item.	September 2003

5.	The board approves expanding the contract and the proposed pickup schedule.	October 2003
6.	Armored cars begin collecting deposits at the campuses.	October 2003

FISCAL IMPACT

The pricing schedule for regular pickups would be $29 per event. Assuming that there will be 40 regular pickups per month (2 regular pickups per week x 5 colleges x 4 weeks per month), the cost of implementing this recommendation would be $13,920 per year ($29 x 40 regular pickups x 12 months). This calculation is based on 48 months in a year due to holiday schedules. In the first year, the cost will be $12,760 ($29 x 40 regular pickups x 11 months) because the service would not begin until October 2003.

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08
Expand the existing contract with the armored-car company to pick up cash twice weekly at every college.	($12,760)	($13,920)	($13,920)	($13,920)	($13,920)

FINDING

HCCS' investment portfolio's lack of diversification hinders its ability to maximize its return on investment. HCCS places 43.8 percent of its investments in a money market fund that earns an average interest rate of 1.5 percent. **Exhibit 6-8** summarizes the system's investment portfolio as of November 30, 2002.

Exhibit 6-8
HCCS Investment Portfolio
November 30, 2002

Investment Instrument	Held at	Percent of Total Investment	Interest Rate	Ending Balance as of November 30, 2002
Freddie Mac Medium-Term Unsecured Note	Bank of America	1.22%	3.5%	$1,002,150
Federal Home Loan Bank Unsecured Bonds	Bank of America	2.43%	3.02%	$2,000,000
Fannie Mae Unsecured Global Notes	Bank of America	1.68%	0.0%	$1,382,301
Freddie Mac Medium-Term Unsecured Note	Bank of America	1.99%	2.7%	$1,632,101
Money Market Fund	Bank of America	7.99%	1.44%	$6,565,661

Money Market Fund	Bank of America	35.68%	1.54%	$29,323,454
Money Market Fund	Bank of America	0.17%	1.48%	$143,270
Liquidity Plus Fund	Lone Star	28.20%	1.58%	$23,178,234
TexPool	Lehman Brothers/Federated Investors	20.64%	1.56%	$16,965,299
Total		**100%**		**$82,192,470**

Source: HCCS executive director of Business Affairs.

Exhibit 6-9 compares HCCS' investment portfolio to its peer colleges, as of August 31, 2002. The majority of HCCS investment funds are in the investment pools. HCCS has the highest level of investment in money market funds compared to the peer group. Alamo Community College has the most diverse portfolio of the peer colleges, while ACC invests excess funds into the investment pools.

Exhibit 6-9
Comparison of HCCS and Peer Investment Portfolios
As of August 31, 2002

Investment	HCCS		Austin		Alamo		Dallas		North Harris Montgomery	
	Amount (millions)	Percent	Amount (millions)	Percent	Amount (millions)	Percent	Amount (millions)	Percent	Amount (millions)	Percent
Certificates of Deposit	**$0**	**0.0%**	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%
Money Market Funds	**$27.3**	**28.8%**	$0	0.0%	$0.4	0.9%	$0	0.0%	$0	0.0%
Corporate Stocks	**$0**	**0.0%**	$0	0.0%	$9.7	21%	$0	0.0%	$0	0.0%
Overnight Repurchase Agreements	**$0**	**0.0%**	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%
Investment Pools	**$52.5**	**55.4%**	$36.4	100%	$0	0.0%	$9.8	22.4%	$50.4	39.6%
Commercial Paper	**$0**	**0.0%**	$0	0.0%	$23.5	50.8%	$0	0.0%	$0.1	0.0%
U.S. Treasuries	**$0**	**0.0%**	$0	0.0%	$0	0.0%	$21.4	49%	$0	0.0%

U.S. Agencies	$15.0	15.8%	$0	0.0%	$12.7	27.4%	$12.5	28.6%	$76.8	60.4%
Total	$94.8	100%	$36.4	100%	$46.3	100%	$43.7	100%	$127.3	100.0%

Source: HCCS executive director of Business Affairs and peer colleges.
Note: Totals may not add to 100 percent due to rounding.

ACC automatically "sweeps" the funds in its concentration account into the money market account daily to earn interest and then "sweeps" funds back into the concentration account the next morning. A sweep occurs when all funds remaining in the account at the end of business are taken out and placed in an overnight investment instrument. Generally an overnight investment yields a higher interest rate than an interest-bearing account.

A depository agreement often provides that excess collected balances not invested in other authorized investment vehicles be swept nightly into overnight repurchase agreements with higher interest. The funds are returned to the college's accounts first thing each morning to meet the day's cash obligations. Repurchase agreements allow dealers in government securities to finance their government securities inventory. The Treasury Department issues several billion dollars worth of securities weekly. Most securities trading is completed between dealers. Securities dealers buy securities valued at a sum greater than their net worth at times. For example, a bond dealer might purchase $1 billion worth of government securities. The dealer would pay several million dollars at the onset of the transaction and enter into a repurchase agreement for the balance. Essentially, the bond dealer has agreed to sell the unpaid balance back to the government with the understanding that the securities can be repurchased in the future. When the dealer buys the securities back from the government, the dealer pays the government interest. After the auction and after the repurchase agreement is initiated, the bond dealer begins selling the bonds. As the bonds sell, they are removed from the government inventory, and the proceeds are used to pay the balance of the remaining bonds. The funds are returned to the institution's accounts each morning to meet cash obligations.

Recommendation 48:

Diversify the investment portfolio and sweep the operating account nightly to increase investment earnings.

HCCS should sweep the overnight balance in the operating account into an overnight repurchase agreement. The institution could earn higher nightly rates in the repurchase agreement than in the interest-bearing account, without sacrificing liquidity. In addition, HCCS should review its investment portfolio to determine if more lucrative investments can be found that meet HCCS' liquidity and risk profile.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The executive director of Business Affairs meets with a Bank of America investment	July 2003

	officer to identify areas where HCCS could enhance the earning potential of its investment portfolio.	
2.	The executive director of Business Affairs drafts an action item to recommend that HCCS set up an overnight repurchase agreement and sweep all funds remaining in the current operating account at the close of the day and to reinvest longer-term monies in an investment vehicle that meets the system's liquidity and risk profile, based on the investment banker's recommendations.	July 2003
3.	The board approves the new banking structure and the recommended investment changes made to the system's long-term investment portfolio.	August 2003
4.	The vice chancellor for Finance and Administration and the executive director of Business Affairs meet with the Bank of America account representative to set up an overnight repurchase agreement.	September 2003
5.	The new banking structure is implemented. All funds remaining in the operating account at the close of each business day are swept into a repurchase agreement, and then transferred back the following morning.	October 2003

FISCAL IMPACT

Between June 2001 and May 2002, operating account bank statements show the average daily balance was $3,545,974. According to the bank depository, the average overnight rate is 1.01 percent. The bank charges $125 per month for its sweep service so HCCS would realize interest earnings of $34,314 [($3,545,974 x .0101= $35,814) - ($125 x 12 = $1,500)] annually. This fiscal impact does not include additional income that could be realized through diversifying the portfolio. In the first year, the savings are estimated for 10 months because the new banking structure would be implemented in October 2003, and earnings would begin in November 2003 ($34,314 / 12 months x 10 months = $28,595).

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08
Diversify the investment portfolio and sweep the operating account nightly to increase investment earnings.	$28,595	$34,314	$34,314	$34,314	$34,314

Chapter 6
ASSET AND RISK MANAGEMENT

B. Bond Issuance and Indebtedness

HCCS issues revenue bonds to purchase, acquire, construct, renovate and equip college facilities. Revenue bonds are not secured by the taxing powers of the issuers; they are paid from revenues generated from user fees. The vice chancellor for Finance and Administration supervises bond issuance, debt obligations and refinancing. The executive director of Business Affairs manages the daily responsibility for these areas. HCCS has a large number of facility issues and anticipates presenting the voters with a general obligation bond in 2003. HCCS has six outstanding bond issues. **Exhibit 6-10** summarizes these bond issues and the remaining balance as of November 2001.

Exhibit 6-10
HCCS Bond Summary
November 2001

Bond	Dated	Range of Interest Rates	Issue Amount	Remaining Balance	Expended for
2001 A Refunding	11/1/01	5.00% - 5.19%	$68,745,000	$34,062,312	Refunding Escrow
2001 A Refunding	11/1/01			$30,266,687	Bond Repayment
2001 A Refunding	11/1/01			$4,994,574	Reserves
2001 Bond	1/15/01	3.75% - 5.00%	$8,410,000	$1,776,064	3100 Main
1999 Bond	7/1/99	4.75% - 5.25%	$51,000,000	$6,569,977	3100 Main
1998 Bond	1/1/98	3.80% - 4.55%	$23,500,000	$0	SW College 85% Tech Fee 15%
1997 Bond	10/15/97	3.90% - 5.65%	$50,000,000	$2,079,795	Codwell 28%, SE College 72%
Total			**$201,655,000**	**$79,749,409**	

FINDING

In November 2001, HCCS issued a revenue bond for $68.7 million to help manage its debt repayment obligations. The system carried a large amount of debt prior to this revenue bond issue and did not have a number of available options to reduce its debt load. HCCS found a creative solution to manage its debt without requiring help from local taxpayers.

Standard & Poor's and Moody's are the best-known and most influential credit rating agencies. Their role as raters is to assess the risk of certain bonds through the study of public information and to grade the issue and the issuing company to accurately reflect the company's ability to meet promised principal and interest payments. Bonds with higher ratings offer lower yields and easier money for the issuer. A lower rating usually results in a lower price on the bond, indicating a less expensive purchase for the investor, but also a riskier investment.

According to HCCS' bond counsel, the transaction was designed to increase the coverage ratio on outstanding senior lien bonds with a rating of A+/A2, while creating a subordinate lien debt structure at a marginally lower credit quality, with an A3 bond rating. By subordinating a portion of the debt, the system raised the confidence of bondholders holding the older bonds, as they now became the first bondholders to be paid. Once the senior bonds have been paid, the subordinated debt will be paid. The coverage ratio is the ratio of earnings before interest and taxes for a particular reporting period to the amount of interest charges for the period. The ratio is a rough measure of financial risk, depending on the payment schedule of the debt and the average interest rate. The assessment of financial risk can be improved when the coverage ratio is considered in connection with the cash-flow ability of the institution to service its debt. Moody's Investors Service has affirmed the position of HCCS in their assessment of debt rating and credit quality. Per Moody's rating letter, they judge the institution to have a stable outlook, based on:

- solid debt service coverage from pledged revenues;
- the college's strong local market position;
- the area's growing tax base and vibrant economy;
- steps taken by the college to address concerns expressed by the Southern Association of Colleges and Schools; and
- high debt levels relative to financial resources.

HCCS used proceeds from the sale of the revenue bonds to pay down or refund existing bonds and to fund the acquisition, construction, equipping

and renovation of certain college facilities, including classroom, administrative and instructional facilities. **Exhibit 6-11** itemizes the anticipated sources and uses of the proceeds from the bonds.

Exhibit 6-11
Sources and Uses of Bond Proceeds
November 2001 Bond Issue

Sources of Funds	
Principal Amount of Bonds (Issue Amount)	$68,745,000
Accrued Interest	$339,671
Original Issue Premium	$2,792,556
Total Sources	**$71,877,227**
Uses of Funds	
Construction Fund	$30,004,593
Deposit to Debt Service Reserve Fund	$4,933,601
Interest and Sinking Fund	$1,764,893
Escrow Fund for Refunded Bonds	$34,062,299
Costs of Issuance, Underwriter's Discount and Municipal Bond Insurance	$1,111,841
Total Uses	**$71,877,227**

Source: Official Statement Relating to HCCS Revenue Bond Issue, November 2002.

By refunding the existing bonds, HCCS reduced the remaining balance of its outstanding debt from $118.6 million to $79.7 million. **Exhibit 6-12** compares the remaining bond balance as reported in the audited financial statement for the year ending August 31, 2001, versus the remaining balance reported by HCCS after the bond issue.

Exhibit 6-12
HCCS Bond Remaining Balance Comparison

Bond	Range of Interest Rates	Issue Amount	Pre-Issue Remaining Balance	Post-Issue Remaining Balance
2001 A Refunding	5.00% - 5.19%	$68,745,000	$0	$69,323,573
2001 Bond	3.75% - 5.00%	$8,410,000	$8,410,000	$1,776,064

1999 Bond	4.75% - 5.25%	$51,000,000	$48,355,000	$6,569,977
1998 Bond	3.80% - 4.55%	$23,500,000	$18,050,000	$0
1997 Bond	3.90% - 5.65%	$50,000,000	$43,810,000	$2,079,795
Total		**$201,655,000**	**$118,625,000**	**$79,749,409**

Source: HCCS, executive director of Business Affairs, November 2002, and Mir Fox Rodriguez, P.C.,
Certified Public Accountants, Audited Financial Statement for the Period Ending August 31, 2001.

COMMENDATION

HCCS has taken effective steps to reduce its overwhelming debt service obligations by refunding outstanding bonds.

Chapter 6
ASSET AND RISK MANAGEMENT

C. Fixed Asset Management (Part 1)

In governmental fund accounting used by colleges, fixed assets are purchased with money available within a given fund. Fixed assets are tangible items that typically have a significant value. Therefore, it is critical to maintain control of and accountability for these items. "Fixed asset management" involves the manner in which assets are purchased and accounted for and methods for maximizing the disposal of surplus or obsolete equipment so that it is returned into productive channels.

Fixed asset records are necessary to designate who is responsible for the custody and maintenance of individual items and help to estimate future requirements. Colleges generally control capital transactions for acquiring fixed assets, using a well-defined authorization procedure. Separate accountability for fixed assets is a specific legal requirement of many federal programs.

Six reasons for keeping accurate accounting records of fixed assets:

- properly kept fixed asset records furnish taxpayers with information about their investments in the college, in contrast to expenditures, for operations;
- fixed asset records provide the basis for adequate insurance coverage;
- systematic physical inventories of fixed assets allow the institution to survey the physical condition of its assets and assess the need for repair, maintenance or replacement;
- periodic inventories establish a system of accountability for custody of individual items;
- for budgeting purposes, reliable information about fixed assets can provide material assistance in determining future requirements; and
- periodic inventories identify lost or stolen items so that insurance claims can be filed, additional controls instituted and accounting records adjusted to reflect the losses.

Colleges should maintain detailed subsidiary records to maximize control of fixed assets. These records should include at least the following information:

- item purchased;
- date of purchase;

- purchase price;
- life expectancy of the asset;
- location of the asset;
- inventory number assigned to the asset;
- fund from which the asset was purchased; and
- any other information that may be useful for control.

Regardless of its physical form, the subsidiary record should provide a complete description of the item, cost and purchase data and the item's location for easier tracking.

Adequate accounting procedures and records for fixed assets will protect HCCS property. In addition to protecting property, an appropriate fixed asset system should designate responsibility for custody and proper use, provide data for financial control and fixed asset management, develop financial reports and ensure adequate insurance coverage.

The security of the system is critical. Any material change in recording the distribution or the disposal of fixed assets is a financial matter that should be decided by HCCS administration. Management must maintain an appropriate level of internal control to protect fixed assets at all times.

Many Texas colleges periodically inventory certain fixed assets, such as furniture and equipment, and also take an annual fixed asset inventory. Discrepancies between the fixed asset inventory list and physical inventory should be settled in a timely manner, and missing items should be dealt with consistently, according to institution policy.

The Texas School Performance Review (TSPR) has found that the most successful entities perform five fixed asset functions:

- tagging all valued assets using a bar-code system, as the assets are received;
- using accounting codes to track capitalized fixed assets and expensed assets;
- inventorying all assets annually;
- using annual inventory results to set insurance rates; and
- identifying inventory shrinkage and tightening controls as necessary.

In its Capital Asset Guide, the Texas Comptroller of Public Accounts defines fixed assets as purchased, constructed or donated real or personal property with a useful life greater than one year and with a value equal to or greater than the capitalization threshold for the particular classification of the asset. Items that cost less than the threshold amount for that classification are recorded as an operating expense of the appropriate fund.

Exhibit 6-13 displays standard capitalization thresholds for each major class of assets.

Exhibit 6-13
Capitalization Thresholds by Class of Assets

Asset	Total
Land/land improvements	Capitalize All
Buildings/building improvements	$100,000
Facilities and other improvements	$100,000
Infrastructure	$500,000
Personal property - furniture/equipment	$5,000
Library books/materials (collections)	Capitalize All
Works of art/historical treasures	Capitalize All
Software developed for internal use	$100,000
Leasehold Improvements	$100,000

Source: Texas State Comptroller's office, Capital Asset Guide - Effective 9/1/01.

Like the Comptroller's office, HCCS defines fixed assets as having a single value of $5,000 or greater and an estimated useful life of more than one year. Assets in this category include furniture, fixtures, vehicles and equipment, including hardware and software, and are generally referred to as "personal property."

HCCS had total fixed assets of $311 million before depreciation and $264 million after depreciation as of August 31, 2002. **Exhibit 6-14** shows a summary of HCCS' fixed assets.

Exhibit 6-14
HCCS Fixed Assets
As of August 31, 2001 and August 31, 2002

Asset	Total as of August 31, 2001	Percent of Total	Total as of August 31, 2002	Percent of Total
Land	$42,504,851	12.6%	$37,728,210	12.1%
Buildings and improvements	$165,836,727	49.2%	$182,561,347	58.7%

Leasehold improvements	$1,173,619	0.3%	$1,246,178	0.4%
Equipment	$76,332,931	22.6%	$39,075,502	12.6%
Library books	$11,875,125	3.5%	$12,349,254	4%
Property held under capital leases	$33,890,797	10%	$35,523,797	11.4%
Construction in progress	$5,769,406	1.7%	$2,468,446	0.8%
Total	**$337,383,456**	**100%***	**$310,952,734**	**100%***

Source: HCCS' Financial Report for the period ending August 31, 2001 and 2002.
Note: The totals reported in this exhibit do not include depreciation.
*Totals may not add to 100 percent due to rounding.

GASB Statement 35 requires that public colleges and universities be included in the financial reporting guidelines of GASB Statement 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. GASB issues accounting and financial reporting rules for state and local governments throughout the United States. GASB Statement 34, issued in June 1999, requires that capital assets be reported in the financial statements after depreciation and that assets be depreciated each accounting period. "Depreciation" is a periodic expense recognized on the accounting records of an organization. The useful life of an asset must be determined to properly estimate depreciation. Government entities must maintain fixed asset systems that calculate and account for asset depreciation amounts. Before GASB 34, governments expensed all their assets at acquisition, rather than recognizing a portion of expense each accounting period during the asset's useful life.

After June 15, 2001, colleges and universities with annual revenues of $100 million or more must adhere to GASB 34. HCCS must comply with this provision in fiscal 2002 (September 1, 2001 to August 31, 2002).

Recordkeeping and management of fixed assets are the responsibility of the executive director of Financial and Budgetary Control, who reports to the vice chancellor for Finance and Administration. The executive director supervises three inventory control clerks who perform the following processes:

- assign inventory tags to all fixed assets;
- update the college detailed fixed asset sub ledger;

- prepare journal entries for recording fixed asset transactions in the general ledger;
- reconcile the fixed asset sub ledger to the college general ledger; and
- perform a sample physical inventory of fixed assets annually.

HCCS uses the Asset Management module of the financial management system for its fixed assets subsidiary ledger. In addition to providing a database of its assets, HCCS also depreciates its assets in accordance with GASB 34 and 35. HCCS hired an external consulting firm to help prepare to meet those requirements. An Inventory Control clerk applies depreciation schedules in the system for every asset worth more than $5,000. This individual also maintains the system's fixed asset database.

The system established responsibility and accountability for fixed assets by requiring a property custodian from each department to sign a receipt for all items received. The Inventory Control Department files all receipts and records the name of the custodian on the college's fixed asset system. HCCS inventory policy and procedures require each custodian to conduct an annual inventory and verification of property for which they are responsible. The Inventory Control and Internal Audit Departments test counts approximately 30 percent of the items to verify the inventory performed by selected property custodians.

HCCS requires that all missing or stolen property be reported to the college or city police department and the Inventory Control Department. Deletion of missing property from the fixed asset system may be requested only after that property has been missing for at least five annual physical inventories. After that, the fixed asset department prepares a request to delete the item from the inventory records. The request becomes a board action item and will only be deleted from the inventory records after the board authorizes the deletion.

Individual property custodians identify surplus property and salvage property. "Surplus property" is property that is in excess of the needs of the department. "Salvage property" is property that has been depleted, worn out, damaged or made obsolete through use, over time or by accident, and can no longer serve its original purpose. The custodian notifies the Inventory Control Department about such property, and the department instructs a contracted moving company to bring it to the warehouse to be secured. The Inventory Control clerk updates the fixed asset subsidiary ledger to show that the property has been removed from the custody of the assigned property custodian and moved into the warehouse. The surplused items are advertised to HCCS faculty and staff so that they can be reused if possible. Salvage property is taken to a disposal contractor for sale or other disposition. The review team toured

the warehouse where salvage items are safeguarded until the next auction and observed that items being disposed of are old and obsolete.

FINDING

Fixed asset inventory policy and procedures for property custodians are inadequate, annual inventory is not performed consistently systemwide and custodians are not always held accountable for damaged, lost or stolen property. HCCS does not ensure the accuracy of annual inventory or adjust records to reflect actual inventory. There is no policy for how inventory records should be adjusted to a physical count. HCCS procedures for requisition, receiving, accounting and identifying fixed assets are inadequate. Although policies exist to address these issues, the policies are vague and no procedures are outlined.

According to staff, HCCS seldom exercises the procedure that states, "any custodians that fail to keep records or take the annual inventory as required may lose access to such property." In addition, the policy and procedures do not include a statement of accountability and responsibility with consequences for custodians if property in their custody is damaged, lost or stolen due to their negligence. Furthermore, the procedures do not include detailed procedures for taking inventory, safeguarding property and tagging items when they are received. HCCS does not enforce policies and procedures that require custodians to file a report for missing or stolen property with the college or city police department and the Inventory Control Department.

HCCS requires property custodians to conduct a physical inventory of all fixed assets at their location annually. According to Inventory Control staff, college presidents, vice chancellors and department heads get an inventory printout generated from the financial management system of all numbered assets assigned to their site. They or their designees make necessary updates such as room number changes and note any missing or stolen items. TSPR reviewed the inventory documentation between the Inventory Control staff and the campuses/centers and found inconsistencies in timing of the inventories and inconsistencies with the way the campuses are reporting on changes in inventory. For example, different types of reports are generated using different formats of recording the information. Such inconsistency makes it difficult for HCCS to properly reconcile its fixed asset records in a timely manner.

The Comptroller's office has developed best practices to help local governments develop effective, efficient fixed assets management systems. These practices offer a comprehensive solution to deficient fixed assets management systems with steps to develop and maintain a better system. Effective management requires the involvement of key individuals

throughout the college system. **Exhibit 6-15** summarizes these best practices.

Exhibit 6-15
Best Practices for an Effective Fixed Assets Management System

Preliminary Steps	- Identify individuals in the system that will have key fixed asset responsibilities and define those responsibilities. - Devise policies and procedures to govern capitalization thresholds, inventory, accounting, employee accountability, transfers, disposals, surplus and obsolescence and asset sale and disposition. - Determine system fixed asset information needs and constraints. - Determine the hardware and software necessary to effectively manage the system.
Creating the Fixed Assets Management System	- Adopt a proposal setting up the fixed asset system including adoption of formal policies and procedures. - Create positions and job descriptions for those with fixed asset responsibilities. - Design the fixed asset inventory database and develop standard forms to match the format of computerized records. - Provide training as necessary. - Identify specific assets below the capitalization threshold that should be tracked for information purposes and safeguarding. - Budget the amount necessary to operate the fixed assets management system adequately.
Implementing the Fixed Assets Management System	- Inform all departments of the requirements, policies and procedures of the fixed assets system. - Ensure that assets to be tracked on the system have been identified and tagged. - Enter information into the fixed assets database. - Assign appropriate values to the assets in the database. - Establish location codes and custodial responsibility for fixed assets.

| Maintaining the Fixed Assets Management System | Enter all inventory information into the automated fixed asset system as fixed assets are received. Assign tag numbers, location codes and responsibility to assets as they are received. Monitor the movement of all fixed assets using appropriate forms approved by designated system personnel. Conduct periodic inventories and determine the condition of assets. Generate appropriate reports noting any change in status of assets including changes in condition, location and deletions. Reconcile the physical inventory to the accounting records, account for discrepancies and adjust inventory records. Use information from the system to support insurance coverage, budget requests and asset replacements and upgrades. |

Source: "Getting a Fix on Fixed Assets," City and County Financial Management, Vol. 15 Issue 2, May 1999.

Recommendation 49:

Establish a comprehensive fixed asset management system.

HCCS should expand and maintain comprehensive inventory policy and procedures to clearly spell out the requirements, responsibilities and accountability of property custodians. The inventory policy and procedures should require fixed assets be inventoried annually, properly identified, monitored and safeguarded, and custodians should be reprimanded if procedures are not followed. HCCS should repossess property from the custodians when violations occur. HCCS should consider reprimanding custodians by deducting the amount of the damaged or missing item from the department budget.

Custodians should be trained in the policy and procedures. Custodians should be required to sign a form stating that they understand and will abide by the policy and procedures.

IMPLEMENTATION STRATEGIES AND TIMELINE

| 1. | The vice chancellor for Finance and Administration instructs the | July 2003 |

	executive director of Financial and Budgetary Control to develop and write a comprehensive inventory policies and procedures manual.	
2.	The executive director of Financial and Budgetary Control, the internal auditor and the inventory control clerk develop a comprehensive inventory policy and procedures manual.	September 2003
3.	The vice chancellor for Finance and Administration approves the plan and prepares an action item for board approval of the revised inventory policy.	September 2003
4.	The chancellor presents the board with the revised inventory policy.	October 2003
5.	The board approves the inventory policy.	October 2003
6.	The vice chancellor for Finance and Administration instructs the executive director of Financial and Budgetary Control to implement the policy and procedures immediately.	October 2003
7.	The inventory control clerk and Internal Audit staff develop training for property custodians in the revised policy and procedures.	October 2003
8.	The inventory control clerk and Internal Audit staff train the property custodians.	December 2003

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 6
ASSET AND RISK MANAGEMENT

C. Fixed Asset Management (Part 2)

FINDING

HCCS does not have effective inventory procedures for its Internal Audit and Inventory Control staff to conduct spot checks and follow-up inventories, and the inventory process is manually intensive.

The Internal Audit Department and the Inventory Control Department perform annual spot checks. There is no set way for developing an annual inventory plan for which sites will be checked and when those checks will occur.Inventory sites are based on feedback from departments that have had problems during the previous year. There is no follow-up process if auditors find material discrepancies at a department or college.

Removing a lost or missing inventory item from the fixed asset system takes five years. After that, a request is made to the board to authorize the removal of the item from the system.

Effective inventory systems require careful planning, especially if assets are spread out across multiple facilities as in most college system inventories. A successful inventory process includes timelines, methods for determining campus and department assignments, selection of staff who will perform the inventory, level of individual responsibility, estimated completion times and count verification and training protocols.

Recommendation 50:

Develop written procedures to plan and conduct spot checks and follow-up inventories.

HCCS should develop comprehensive written procedures to plan and conduct spot checks and follow-up inventories before the 2002-03 physical inventories. Procedures should include timelines, methods for determining campus and department assignments, staff selection, responsibilities, estimated completion times and inventory protocols.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The Internal Auditor, the executive director of Financial and Budgetary Control and the inventory control clerk develop	July 2003

	written procedures to plan and conduct spot checks and follow-up inventories.	
2.	The Internal Audit Department staff, with the assistance of the Inventory Control Department, develops the annual physical inventory plan for spot-checking inventories taken by property custodians.	August 2003
3.	The Internal Auditor approves the plan and instructs staff to develop and implement a strategy to follow up on findings.	August 2003
4.	The Internal Audit and Inventory Control staff implements the spot check inventory plan with follow-up on all findings.	September 2003 and Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

HCCS does not have bar-code readers to use in physical inventories of its fixed assets so the Internal Audit and Inventory Control Department staff must check item identification numbers manually. The process is labor-intensive compared with swiping a bar-code reader across a magnetically recorded identification number. Changes to the fixed asset subsidiary system must be entered manually. With a bar-code reader, inventory information is automatically exported to the fixed asset subsidiary system. Using a manual process limits the number of physical inventories the staff can perform, which is now done randomly, rather than in all the departments.

The review team found that HCCS inventory tags are not permanently fixed on the inventory item and are easy to remove. Bar codes are more difficult to peel off. Some organizations also engrave high-commodity inventory items that can be easily stolen.

The Inventory Control Department at Alamo Community College District (ACCD) uses a bar-code reading system for its 100-percent biannual inventory of its controlled and fixed assets. As of August 31, 2002, ACCD's fixed assets totaled more than $264 million, including depreciation.

Recommendation 51:

Purchase an automated bar-code reading system.

Purchasing bar-code readers and software should streamline HCCS inventory control. To safeguard HCCS assets and to effectively increase the efficiency of physical inventory procedures, custodians should be instructed to attach bar-code tags to all fixed assets during the next physical inventory.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The executive director of Financial and Budgetary Control and the Inventory Control clerk, assisted by the Information Technology Department and Purchasing Department, develop specifications for bar-code readers and software that include interface with the HCCS accounting system.	July 2003
2.	The executive director of Financial and Budgetary Control initiates the purchase requisition to obtain bar-code readers and software.	September 2003
3.	The executive director of Financial and Budgetary Control helps Inventory Control staff to develop procedures for scanning all new equipment.	November 2003

FISCAL IMPACT

HCCS will require 10 bar-code readers so each of the five colleges would have one reader and the Internal Audit and Inventory Control Department staff would use five bar-code readers in the fixed assets physical inventories. The average cost of a bar-code reader is $399. All equipment must be retagged. Assuming the system will require 10,000 tags at $23.10 per 100 tags, the cost for retagging will be $2,310. The Inventory Control Department will need a printer for the tags, which will cost $429. The future purchase of tags should be listed in the annual Inventory Control Department budget.

The total fiscal impact of this recommendation will be a one-time cost of $6,729 ($399 x 10 scanners + $2,310 for tags + $429 for printer).

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08
Purchase an automated bar-code reading system.	($6,729)	$0	$0	$0	$0

FINDING

The surplus process is inefficient and uses critical storage space. There is limited HCCS campus space. TSPR observed that surplus is stored at the

West Loop campus in the Southwest College area. HCCS uses a moving company to pick up surplused assets. The assets are then stored in the warehouse until they are auctioned. HCCS hires an auction firm to conduct auctions once a year. The review team toured the warehouse and noted that most surplused items were obsolete or damaged.

HCCS raised $22,198 from its May 2001 surplus equipment auction and $36,046 from the March 2002 auction. The auctioneer earns an 18.5-percent commission on general merchandise sold and a 7-percent commission on automobiles. In 2001-02, HCCS spent more than $123,000 for moving services to move furniture and equipment around the system, including the cost to move the surplus to the warehouse. Determining the exact costs for moving surplus items was impossible because HCCS does not record those charges separately, but the review team was told that these costs were a small portion of the total. From the amount of money made at these auctions, it is clear that most of the auction items are worthless.

The Harris County Purchasing Department operates an online auction site. The site operates much like online commercial auction sites, allowing users to bid online on a variety of items. The owner provides a picture of the item to be auctioned. Bidders state the maximum they would be willing to pay for a particular item. This maximum amount is kept secret. Harris County bids on the bidder's behalf as necessary, increasing the bid by the current bid increment until the maximum bid has been reached. This saves the bidder the trouble of having to keep track of the auction and keeps a bidder from being outbid at the last minute unless spending limits have been exceeded. Harris County maintains interlocal agreements with other entities for this service. It charges the entities 3 to 5 percent of the purchase price, depending on the volume of items sold.

Recommendation 52:

Enter into an interlocal agreement with the Harris County Purchasing Department to participate in its online surplus sales for items with value and discard or donate the remaining items to local charities.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The executive director of Financial and Budgetary Control and Inventory Control staff research the possibility of an interlocal agreement with Harris County to auction its surplus equipment.	July 2003
2.	The executive director of Financial and Budgetary Control,	August 2003

	assisted by the Purchasing Department, drafts an agenda item for the board to approve the interlocal agreement.	
3.	The board approves the agreement.	October 2003
4.	The executive director of Financial and Budgetary Control meets with the Inventory Control clerk to schedule time to photograph the surplus equipment.	November 2003
5.	The Inventory Control Department photographs the surplus equipment it intends to auction.	November 2003 - March 2004
6.	The first auction is held.	March 2004
7.	All items not sold or with no resale value are identified by the Inventory Control clerk and the executive director of Financial and Budgetary Control.	April 2004
8.	The executive director of Financial and Budgetary Control tells the Inventory Control clerk to contact a local charity to pick up the remaining inventory.	April 2004
9.	As an item is identified for surplus, the Inventory Control clerk is notified and gives a photograph of the item to the Harris County Purchasing Department for auction if the item has value, or a local charity is contacted to pick up the item if it has no value.	As required

FISCAL IMPACT

Assuming that the transport of surplus items with no resale value accounts for 10 percent of its moving costs, HCCS could save $12,322 per year by discarding the items or donating them to a local charity that picks them up ($123,215 total moving costs in 2001-02 x 10 percent = $12,322).

If the system generated $29,122 (an average of 2000-01's $22,198 and 2001-02's $36,046 auction proceeds: $22,198 + $36,046 = $58,244/2 = $29,122), it would save $3,932 [($29,122 x 18.5 percent, auctioneer's commission for general merchandise = $5,388) - ($29,122 x 5 percent, online auction service fee = $1,456)] by using the online auction service.

The total fiscal impact of implementing this recommendation would be an annual savings of $16,254 ($12,322 + $3,932).

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08
Enter into an interlocal agreement with the Harris	$16,254	$16,254	$16,254	$16,254	$16,254

County Purchasing Department to participate in its online surplus sales for items with value and discard or donate the remaining items to local charities.					

FINDING

HCCS does not have an adequate process in place to reconcile its fixed asset subsidiary ledger with the general ledger. The fixed asset subsidiary ledger is where detailed fixed asset transactions are recorded. The general ledger is where all organization financial transactions are recorded. Reconciling these two accounts ensures that HCCS accurately accounts for all fixed assets and that it appropriately reports the information in its financial statements. The Inventory Control clerk reconciles the detailed fixed asset subsidiary ledger to the general ledger monthly. There is no review process in place. The Inventory Control clerk is required only to forward the fixed asset subsidiary ledger reconciliation to the general ledger accountant once a year in preparation for the external audit. Lack of a review process could result in reporting inaccurate fixed asset information when HCCS prepares and issues financial statements throughout the year.

Many institutions use an established process to review reconciliations monthly or quarterly. Corrections to the subsidiary ledger account or the general ledger account are made regularly to ensure that fixed assets are reported accurately all year. In addition, reconciliations are authorized by management to show that they have been reviewed and approved.

Recommendation 53:

Reconcile the fixed asset subsidiary ledger with the general ledger on a monthly basis.

HCCS should implement a monthly reconciliation of its fixed assets to ensure accurate reporting.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The vice chancellor for Finance and Administration, the executive director of Business Affairs and the executive director of Financial and Budgetary Control discuss implementation of a monthly reconciliation of the fixed asset sub ledger with the general ledger and assign the general ledger accountant to review	July 2003

	the reconciliation and the executive director of Business Affairs to approve the reconciliations.	
2.	The executive director of Business Affairs, the executive director of Financial and Budgetary Controls, the general ledger accountant and the Inventory Control clerk meet to determine steps for the monthly reconciliation of fixed assets.	July 2003
3.	The Inventory Control clerk provides the general ledger accountant with the fixed asset reconciliation.	August 2003 and Ongoing
4.	The general ledger accountant reviews the reconciliation and forwards it to the executive director of Business Affairs.	August 2003 and Ongoing
5.	The executive director of Business Affairs approves the reconciliation and requests changes to be made to the sub ledger or general ledger as necessary.	August 2003 and Ongoing
6.	The general ledger accountant makes changes to the general ledger or asks the Inventory Control clerk to make changes to the fixed asset sub ledger as necessary.	August 2003 and Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

HCCS does not have a central motor pool and does not have an efficient vehicle maintenance tracking system. All HCCS vehicles are managed and maintained by the departments that use them. The vehicles are owned by HCCS and are allocated for and budgeted by the user departments. Each department or the driver/operator is responsible for vehicle maintenance, including oil changes or tune-ups, for example, so there is no guarantee that preventive maintenance is performed or that vehicle repair work is necessary and reasonable. Without central coordination of vehicle maintenance and repairs, it is difficult to ensure proper vehicle safety and to oversee repair costs.

Individual user departments are responsible for all maintenance costs and for determining when a vehicle should be replaced or repaired. This decentralization results in a lack of continuity, accountability and quality of service. Maintenance costs are generally not recorded, monitored or evaluated each year, unless a particular department independently decides to track these issues for its own vehicles. There are no formal procedures for drivers to inspect the department vehicles, even for basic fluid level

assessment, or to report status for repair and replenishment. Fuel costs are incurred by the department and are paid for by credit cards issued to the drivers. All vehicles are randomly serviced, and fuel usage is not monitored. The review team found that some vehicles are rarely used and many are in disrepair.

HCCS owns and operates 92 vehicles and contracts with local repair shops for repair needs. The individual colleges operate nearly all HCCS vehicles. Sixty-seven vehicles are more than three years old. Some of these vehicles are in disrepair and infrequently used. Maintenance supervisors who travel between locations typically use their personal vehicles. There is no motor pool function and no central maintenance management entity. **Exhibit 6-16** identifies the type and age of all 92 vehicles.

Exhibit 6-16
HCCS Vehicles with Age
2002

Vehicle Year	Quantity		Vehicle Type	Quantity
1982	1		Fire Truck	1
1983	1		Golf Cart	8
1984	6		Heavy Truck	6
1985	1		Mobile Teaching Unit	1
1986	0		Motor Home	1
1987	1		Passenger Car	11
1988	4		Tractor	1
1989	4		Trailer	23
1990	3		Truck	11
1991	4		Van	29
1992	1		**Total**	**92**
1993	5			
1994	4			
1995	9			
1996	2			
1997	12			
1998	8			

1999	1			
2000	9			
2001	15			
2002	1			
Total	**92**			

Source: HCCS Vehicle Inventory, September 2002.

Many organizations maintain control over the acquisition, use and maintenance of their vehicles to ensure accountability. Organizations often use a maintenance database to track and record vital vehicle maintenance information such as the date of last service, mileage since the last service, history of recurring problems, costs related to service and scheduled maintenance prompts.

Recommendation 54:

Develop and implement policies and procedures for vehicle acquisition and disposal, including a tracking system for vehicle maintenance and repairs.

An HCCS vehicle motor pool should be established to track and manage vehicles. The existing fleet should be reviewed to identify vehicles that should be surplused. The vehicle motor pool should monitor service records, warranties, gasoline charges, and insurance coverage, and should arrange repair and service through a contracted vendor or through the HSSC automotive instructional area when possible. Vehicles may still be allocated to a particular department, but a central purchasing function should procure and standardize fleet vehicle makes and models for each function required. Individuals, including maintenance supervisors, who travel often should be assigned vehicles and should be required to provide timely reports to the motor pool.

A simple database system would automate vehicle maintenance. Because HCCS has no vehicle maintenance program and no way to remind operators of scheduled maintenance or service, it cannot ensure the timely, effective servicing of all HCCS vehicles. A database system would provide easily accessible essential information such as maintenance schedules and cost tracking. A tracking database should include reporting capabilities to provide regular reports for user departments that inform them when their vehicles should be scheduled for routine maintenance.

HCCS should develop comprehensive policies and procedures with accountability for vehicle maintenance and disposal. Implemented policies

must be disseminated to all departments and administrative staff who operate vehicles. HCCS should develop punitive measures for employees who have vehicles serviced without obtaining proper HCCS purchase orders and cost estimates.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The chancellor assigns responsibility for vehicle acquisition, maintenance and replacement to the executive director of Purchasing.	July 2003
2.	The executive director of Purchasing reviews the feasibility of developing a database through HCCS' existing computer system.	August 2003
3.	The executive director of Purchasing and the director for Information Technology develop recommendations for creating a database, using the HCCS computer system.	September 2003
4.	The executive director of Purchasing drafts vehicle procurement, maintenance and use policies and procedures, including how staff should oversee their implementation.	October 2003
5.	The associate director for Information Technology (or a designee) develops the database system.	November - December 2003
6.	The vice chancellor for Finance and Administration reviews the draft policies and procedures and sends to HCCS administration for approval.	December 2003
7.	The executive director of Purchasing and the director for Information Technology train staff on the maintenance database system.	January 2004
8.	The executive director of Purchasing and the Information Technology Department implement the system.	February 2004
9.	The associate vice president of Information Technology (or a designee) maintains the database system.	Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 6
ASSET AND RISK MANAGEMENT

D. Risk Management

Risk management is the identification, analysis and reduction of different types of risk through insurance and safety programs that are designed to protect an organization's assets and employees. Workers' compensation protects employees in case of a work-related accident or injury. Property and casualty insurance protects HCCS from liabilities that arise from property damage, bodily injury and other risk. A group health plan ensures HCCS employees are protected from catastrophic illness and financial ruin by spreading that risk across the pool of employees.

An effective risk management program includes cost-effective insurance and loss-control techniques to minimize financial liability for the institution and its employees. Sound risk management involves identifying operation areas where hazardous situations may occur or where opportunities for physical property loss exist. The risk management function is responsible for the cost-effectiveness of health insurance, workers' compensation, property insurance and alternative insurance coverage, such as self-insurance and other products.

HCCS' risk management functions are divided among three departments. The risk manager is responsible for acquiring and monitoring property, casualty, liability, school insurance and workers' compensation coverage. Employee health insurance is the responsibility of the director of Benefits and Payroll. The Safety Department coordinates safety-training programs and addresses facility safety issues. **Exhibit 6-17** presents the organizational structure for the risk management function at HCCS.

Exhibit 6-17
Risk Management Department Organization

2002-03
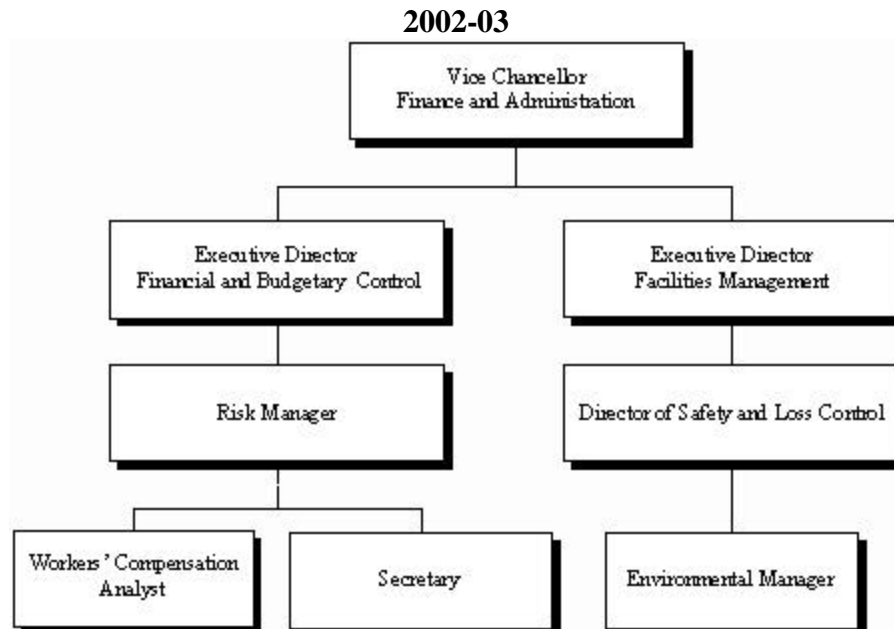
Source: HCCS interviews, November 2002.

The Texas Employees Uniform Group Insurance Program, the program under which all state employees are insured, with the exception of physical plant employees, provides HCCS employee health and life insurance. This program offers a variety of coverages and carriers. All employee premiums for health insurance and the first $5,000 of life insurance coverage are paid by the state. The employee pays partial premiums for spouses and dependents. The HCCS Benefits Department administers health and life insurance for all employees.

The Texas Legislature heavily regulates workers' compensation insurance. In 2001, significant changes were made to the existing law to improve the quality of care for injured workers, to increase the accountability of doctors and insurance carriers and to reduce overall medical costs in the workers' compensation system. These eight changes include:

- improving the ability of the Texas Workers' Compensation Commission (TWCC) to regulate and sanction doctors who do not provide quality medical care;
- allowing the state to establish regional healthcare delivery networks with the guidance of a network advisory committee;
- promoting return-to-work programs by requiring employers to report whether they have modified duty and by requiring insurance carriers to provide return-to-work services to employers;
- improving injured employees' ability to receive prescriptions filled for the first seven days after their injury, giving preference to generic drugs;

- revising the process for seeking an independent medical opinion for impairment rating and data of maximum medical improvement issues (A TWCC-designated doctor, not an insurance carrier-selected doctor, will examine the injured employee first. If the insurance carrier disputes the designated doctor's opinion, the carrier can request the TWCC to order the injured employee to attend a required medical exam conducted by a doctor selected by the insurance carrier.);
- expanding the definition of lifetime income benefits to include workers with third-degree burns;
- allowing injured workers with multiple jobs to calculate their income benefits based on all their wages, not just the wages of the job where they were injured (Insurance carriers can seek reimbursement for these additional benefits from the state's Subsequent Injury Fund.); and
- prohibiting nonsubscribers from asking their employees to waive their right to sue for damages for on-the-job injuries.

HCCS' workers' compensation insurance is now carried by Texas Mutual Insurance Company. Prior to 2002-03, Farmers Insurance Group carried the coverage; however, when Farmers Insurance Group left the Texas insurance market temporarily HCCS had to find another carrier. Texas Mutual offered the lowest bid and the highest level of performance of all respondents. One benefit HCCS receives from Texas Mutual is improved reporting capability. Texas Mutual has a stand-alone system from which HCCS can directly obtain information.

Exhibit 6-18 outlines the HCCS insurance policies in force.

Exhibit 6-18
HCCS Property and Casualty Coverage

Type of Coverage	Insurer	Description of Limits and Deductibles	Policy Expires	Premium Amount
Educator Legal Liability Professional	United Educators	$5,000,000 Limit $250,000 deductible Any actual or alleged breach of duty, neglect, error, misstatement, misleading, statement or omission, committed solely in the performance of	9/1/03	$318,800

		duties.		
General Liability Including Police Professional and Allied Health	United Educators	$1,000,000 Limit per Occurrence $3,000,000 PI / Advertising $500,000 Fire Legal $5,000 Med Pay General Liability for all locations, including fitness center and daycare centers, etc.	9/1/03	$125,382
Educators Excess Liability	United Educators	$4,000,000 Limit Excess over primary general liability and workers' compensation.	9/1/03	$55,799
Excess Liability 3100 - 3200 Main	Essex Insurance Company	$2,000,000 Excess limit over primary limits.	9/1/03	$4,047
Board Members' Accident	AIG Life	$2,500,000 Per Accident $500,000 Accidental Death Full 24 hour all risk accident protection on business trips, inside and outside city limits.	9/1/03	$1,192
Student Accident (optional / health and accident plan)	Connecticut General	Student accident insurance. System also offers PPO and dental for students and P/T faculty at reduced rates.	8/24/03	Paid by student and P/T employee
Workers' Compensation	Texas Mutual	$1,000,000 Limit	9/1/03	$1,157,672
Commercial Property	Various Companies	$200,000,000 Limit All risk coverage, real and personal property insurance of all kinds and description	9/1/03	$1,441,595

		including electronic equipment, including flood and earthquake.		
Commercial Crime and Robbery	Chubb Insurance Group	$200,000 Employee Dishonesty with $5,000 deductible $200,000 Forgery and Alteration with $5,000 deductible $100,000 Theft $100,000 Robbery & Burglary $100,000 Computer Fraud	9/1/03	$12,000
Environmental Liability	Kemper Insurance	$5,000,000 Limit with $25,000 deductible The policy contains coverage for claims and environmental clean up cost and limited to legal defense expense.	9/1/03	$50,650
Student Blanket Professional Liability	TIG Insurance Company	Student sickness and accident insurance plan.	9/15/03	Paid by student
Business Automobile	Old American County Mutual	$1,000,025 with deductibles of $500 for other than collision and $500 for collision with bodily injuries, property damage liability and uninsured bodily injuries / property damage insurance non-owned liability.	9/1/03	$119,557
Special Risk/Accident Program, Health Science Program and Truck Driving Students	AIG	$10,000 LimitAccident protection coverage for health science and truck driving students.	9/1/03	$7,350 / Health Science student $2,078 / Truck Driving

				Student
Peace Officers' Bond	Colonial American Casualty and Surety	$1,000 Limit Bonding coverage per state statutes.	12/1/05	$765
Flood Insurance	First Community Insurance Company	$157,500 Contents with $5,000 contents deductible For 8505 Glen Vista	2/22/04	$1,971
Flood Insurance	Bankers Insurance Company	$500,000 Building, $5,000 deductible $250,000 Contents, $5,000 deductible	10/02/03	$77,311
Electronic Data Processing Coverage	Lumbermen's Mutual	$20,843,046 Limit $5,000 Deductible	9/1/03	$52,108
Youth Build Student Accident Policy	AIG Life	$10,000 Limit $100 Deductible	6/3/03	$1,491
Boiler and Machinery	Chubb Insurance Group	$15,000 Limit $5,000 Deductible	9/1/03	$40,916
Terrorism Coverage	Lexington Insurance /AIG Group	$5,000,000 Limit 2% of Value Loss Deductible	9/1/03	$204,420

Source: HCCS Risk Management Department.

In June 2002, HCCS faced having to renew most of its property insurance coverages. This was the first time the institution had had to renew since the September 11, 2001, terrorist attack. HCCS experienced a substantial increase in its property insurance premiums for every policy it renewed. Insurance premiums increased 75.5 percent over the previous year on the renewed policy.

Exhibit 6-19 compares premiums between 2002 and 2003 by coverage. Of the policies renewed, the highest increases were in property and casualty coverage with 160.6 percent, asbestos and environmental liability with 150.8 percent and boiler and machinery with 163.7 percent.

Exhibit 6-19
Comparison of Premium Cost

Type of Coverage	2001-02	2002-03	Percent Change
Educator Legal Liability Professional	$311,680	$318,800	2.3%
General Liability Including Police Professional and Allied Health	$106,280	$125,382	18%
Educators Excess Liability	$48,500	$55,799	15%
Excess Liability3100-3200 Main	$2,000	$4,047	102.4%
Board Members Accident	$4,500	$4,500	0.0%
Workers' Compensation	$859,029	$1,157,672	34.8%
Commercial Property	$553,280	$1,441,595	160.6%
Commercial Crime and Robbery (Employee Dishonesty/Loss of Money)	$10,315	$12,000	16.3%
Asbestos/Environmental Liability	$20,199	$50,650	150.8%
Business Automobile	$83,398	$119,557	43.4%
Peace Officer's Bond	None	$765	N/A
Flood Insurance - 8505 Glen Vista	$1,681	$1,920	14.2%
Boiler and Machinery	$15,516	$40,916	163.7%
Terrorism Coverage	*	$204,420	N/A
Total	**$2,016,378**	**$3,538,023**	**75.5%**

Source: HCCS Risk Management Department, October 2002 through January 2003.
*Included in commercial property

FINDING

HCCS has used an outside consultant since 1983 to provide professional advice about its insurance program at a more reasonable cost than maintaining this expertise in-house. The Risk Management Department has only recently been created and does not yet have the expertise to run a risk management program for a system the size of HCCS. The consultant works closely with the Risk Management Department to help secure the necessary insurance coverage at a competitive price. This individual has experience in the Houston insurance market. The consultant identifies risks and develops the optimum risk management program, prepares insurance specifications to be contained in the RFPs for coverage, reviews bid proposals to identify the best coverage at the best price, provides

claims assistance as necessary and offers advice, analysis and assistance to the risk manager.

The contract term runs five years, but it requires annual board approval. The consulting contract is scheduled to be bid before 2003-04. The contract is an annual fixed fee arrangement of $35,000. Salary and benefit costs for an HCCS employee with the same level of expertise and experience would be much higher than the fixed fee.

COMMENDATION

HCCS uses an insurance consultant who provides cost-effective expertise to ensure that the institution is adequately protected against loss.

FINDING

The Risk Management Department has taken measures to ensure that HCCS' authorized drivers have satisfactory driving records. Drivers must complete a driver information form annually. Risk Management investigates each driver's record and terminates the driving privileges as necessary. If HCCS discovers that one of its drivers has had a moving violation or was at fault in an accident, that driver may no longer drive an HCCS vehicle. The risk manager told TSPR that there were a number of accidents reported by the Drivers Education program. Risk Management found that those accidents involved the instructors, not the students, so HCCS terminated the program.

The Risk Management Department forwards a list of approved drivers to its insurance carrier at the beginning of each fiscal year. Changes to the list are given to the insurance company as soon as possible. The HCCS Risk Management Department secretary monitors driving and vehicle records.

COMMENDATION

The Risk Management Department reviews authorized drivers annually and terminates driving privileges as necessary to protect HCCS from liability and risk.

FINDING

HCCS has no programs in place to reduce the number of workers' compensation claims. Although the institution has a risk manager and a workers' compensation analyst on staff, loss runs are not analyzed to identify trends and develop training for workers in how to make the

workplace safer. The reason given for this lack of claim analysis is that the loss runs provided by the previous insurance carrier from 1996-97 through 2001-02 do not present the information in a usable format. Texas Mutual, HCCS' new workers' compensation carrier, provides access to a database that offers reports by type of injury and other categories. During review team interviews, college administrators stated that there is a problem with the number of such claims and the number of individuals with recurring claims.

HCCS employees are grouped into four worker classifications: professional employees, clerical, security/police and all others. Professional employees account for 77.2 percent of the HCCS payroll, clerical staff makes up 15.6 percent, security/police for 2.6 percent, and all other employees comprise the remaining 4.6 percent.

Exhibit 6-20 compares the number of claims and the average cost per claim between 1999-2000 and 2001-02. Although the number of claims has decreased 3.7 percent, the average cost per claim has increased by 69.9 percent. According to HCCS workers' compensation loss runs, there were no claims filed by clerical staff, security officers or police from 1999-2000 to 2001-02. Professional staff has the highest number of claims. The average cost per claim for professional workers has increased by 59.3 percent. This class of workers is not normally considered to be high risk in terms of workers claims. The fact that this worker group has consistently filed the highest percentage of HCCS claim activity indicates a lack of training related to safety issues throughout HCCS.

Exhibit 6-20
Workers Compensation Claims
1999-2000 through 2001-02

Worker Class	1999-2000		2000-01		2001-02		Percent Change from 1999-2000 to 2001-02	
	Number of Claims	Cost per Claim	Number of Claims	Cost per Claim	Number of Claims	Cost per Claim	Number of Claims	Cost per Claim
Professional	72	$4,600	80	$3,531	72	$7,330	0.0%	59.3%
Clerical	0	$0	0	$0	0	$0	0.0%	0.0%
Security/Police	0	$0	0	$0	0	$0	0.0%	0.0%
All Others	10	$1,141	12	$5,693	7	$4,710	(30.0%)	313%*
Total **	**82**	**$4,178**	**92**	**$3,813**	**79**	**$7,097**	**(3.7%)**	**69.9%**

El Paso Community College (EPCC) has made a strong commitment to employee safety and training, which has positively affected its workers' compensation costs. EPCC workers' compensation payments decreased by 45 percent from fiscal 1996 ($582,000) to fiscal 1998 ($316,000). The college has a full-time safety coordinator who administers a wide range of safety programs and conducts more than 16 safety workshops on a variety of different topics, including:

- back safety;
- blood-borne pathogens;
- carpal tunnel syndrome;
- confined space;
- ergonomics;
- fire safety;
- hazard communication;
- hazard communication refresher course;
- hazard communication standard (Spanish);
- heat stress;
- laboratory safety;
- materials handling (proper lifting);
- personal protective equipment;
- portable fire extinguishers;
- right-to-know; and
- safety awareness.

EPCC attributes much of its success in reducing workers' compensation claims to its safety training programs and the work of a third-party administrator to provide loss data to help management identify areas where additional education is needed.

Some community colleges have established safety committees and have regular meetings at every campus to evaluate their individual safety initiatives and safety records. A safety monitor is assigned to each campus to act as the contact point for issues that involve the safety of students, faculty and staff. A safety monitor is often assigned responsibility for the following tasks:

- coordinate all safety activities with the college Risk Management and/or Safety Department for those worksites;

- act with authority of college administrator/department head as the safety representative for the site;
- ensure monthly inspection is performed per checklist;
- investigate employee complaints and accidents;
- chair the Site Safety committee;
- maintain safety bulletin boards;
- provide and/or arrange for safety training for site employees;
- maintain or oversee records of accidents, employee training and inspections;
- coordinate required hazardous material communications and waste disposal;
- perform other safety duties as directed by the college administrator/department head;
- report all observed unsafe acts or conditions to the appropriate supervisor; and
- maintain the Site Safety Monitor Handbook.

A college with an effective Risk Management Department provides a training program for its college safety monitors. Training is documented and filed at the worksite and consists of the following elements:

- an introduction to Occupational Safety and Health Administration regulations;
- an overview of Texas State Safety Regulations;
- emergency plans;
- instructional techniques for safety training;
- accident reporting and investigation;
- job safety analysis;
- new employee orientation safety training requirements;
- job-specific training;
- contents of the college safety program, including the responsibility of various levels of administration;
- site safety committee and employee suggestion program; and
- enforcement of safety rules and regulations.

By providing comprehensive training and trained on-site safety monitors at all times, the colleges communicate their commitment to safety. A college with an effective risk management staff is often responsible for evaluation loss run data to identify and correct trends, thereby reducing the number of workers' compensation claims. For instance, if a campus has several back injuries over a period of time, a materials-handling course may be needed to teach steps that can prevent these injuries.

Recommendation 55:

Use workers' compensation claims loss data to develop an education program to reduce the number and severity of workers' compensation claims.

HCCS should develop a safety education-training program for its employees. A safety monitor should be appointed for every campus and department, and safety meetings should be held at least annually, and more frequently if the number of accidents warrants it. A safety committee comprising safety monitors, the risk manager, the director of Safety and Loss Control and all college operations officers (COOs) should be established, and quarterly meetings should be scheduled. This committee will review all accidents and determine what should be changed, if anything, to ensure the accident does not recur. Annual safety training should be mandatory for all system employees. Members of the safety committee should provide training to staff and faculty on a rotating schedule. In addition, the system should track the amount of time each employee misses work on a workers' compensation claim to help identify recurring claims and ensure their legitimacy.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The risk manager and the director of Safety and Loss Control develop a safety program and create a section on employee safety for the existing HCCS employee handbooks.	July - August 2003
2.	The chancellor reviews the safety program, makes any necessary revisions and distributes the program to staff.	August 2003
3.	The COOs and the department heads appoint safety monitors from their staffs.	September 2003
4.	The safety committee meets and establishes a committee charter.	October 2003
5.	The safety committee develops a safety-training program and schedule.	December 2003
6.	All staff attends safety training.	January - July 2004
7.	Safety meetings are held in each department and at every college.	August 2004 and Ongoing

FISCAL IMPACT

If the system can decrease the number of claims listed in **Exhibit 6-20** by 30 percent (79 claims x 30 percent = 24 claims) and the average cost per

claim by 50 percent from 2001-02 levels ($7,097 x 50 percent = $3,549), the savings would be $85,176 (24 claims x $3,549).

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08
Use workers' compensation claims loss data to develop an education program to reduce the number and severity of workers' compensation claims.	$85,176	$85,176	$85,176	$85,176	$85,176

FINDING

HCCS does not have a limited duty policy, which keeps injured workers from returning to work sooner. College administrators are concerned that employees who are out on workers' compensation claims are not encouraged to return to work, so many stay out for the maximum period allowed. Administrators also suspect that the same workers file repeated claims. Unfortunately, HCCS does not have data to determine whether this is really happening. There are no statistics on the amount of time an employee has been out on claim or whether the same workers file claims repeatedly.

HCCS policy requires a full release from a physician before an employee can return to work. This leaves the employee's position vacant until the employee fully recovers from the injury. HCCS is prohibited from filling the position until workers' compensation benefits have been exhausted. Because of this, HCCS loses productivity, must continue providing benefits to the absent worker and faces increases in workers' compensation premiums.

The purpose of the workers' compensation system is to provide a method to restore an injured worker as closely as possible to the worker's pre-injury earning capacity and potential. Returning to suitable work helps employees more readily recover from injuries and allows employers to gain lost productivity, lower compensation costs and reduce dependency on other types of assistance. It is helpful if employers have some type of limited duty, or alternate work, to help workers gradually get used to being back in the workforce.

Studies have shown that employers who have return-to-work programs had a lower rate of lost workday cases, a reduction in workers' compensation claims and fewer lost workdays per 100 employees. Effective programs include coordinated, supportive, company-based ways to help injured workers return to work. Employees who participate in such programs successfully return to work, typically at their pre-injury pay rate.

These programs reduce claims, lower premium and litigation expenses and improve the employer's public image.

Most injured workers want to go back to work. Recent national research shows that most workers will return to their jobs early in their recovery period if their employers have a return-to-work program. Research also indicates that there is only a 50 percent chance that an injured employee will be able to return at all if the employee misses six months of work. Injured employees who are out for a year return in only 25 percent of such cases, and employees who are out for two or more years have little potential to return to work.

Recommendation 56:

Develop a limited-duty return-to-work program for injured workers to provide them the opportunity to come back to HCCS as soon as possible.

HCCS should develop a return-to-work program for its injured workers. The employee will perceive that HCCS cares about his or her unique situation. Often, workers who are eager to get back to work and contribute return too soon, only to be sent home. A limited-duty return-to-work program will prevent this and will enhance the overall productivity of HCCS employees. Jobs will not have to be held open waiting for the workers' release, which can cause undue stress and can overtax employees who must cover the duties of the absent worker.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The risk manager researches available limited-duty programs. HCCS' insurance carrier should be included in the search because they may have such programs or can advise the risk manager on choosing a program.	July - September 2003
2.	The risk manager drafts a limited-duty program for returning injured workers.	September 2003
3.	The executive director of Financial and Budgetary Control drafts an action item to have the limited-duty program approved by the board.	October 2003
4.	The board approves the limited-duty program.	November 2003

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

The Safety Department is understaffed and cannot provide the level of service required to protect HCCS students and staff from potential safety hazards. HCCS does not have a formal safety plan. The Safety and Loss Control Department has begun to develop a safety plan, but it does not have the time or staff for proper implementation. Although the limited staff in place has done a commendable job with limited resources, the system is vulnerable. Safety education is provided only upon request, usually in response to a problem. HCCS has a number of facility issues that represent significant safety hazards to both students and staff. For example, TSPR observed that there are weak spots in the steps at Heinen Theatre. One woman was injured when a section of stair disintegrated under her feet when she attended a performance at the theatre. Facilities and safety staff have reviewed the problem and are in the process of fixing it.

According to the director of Safety and Loss Control, HCCS has problems with asbestos at Central College. The environmental manager is responsible for monitoring these hazards. The environmental manager is trained to take air samples in response to complaints or conditions indicative of poor indoor air quality. Based on air sample results, corrective actions are taken or recommended where warranted. If more intensive study is required, the environmental manager will coordinate an additional study with an industrial hygiene firm with indoor air quality expertise. The manager acts as the HCCS liaison.

Not all campuses hold fire drills. Before the new administration building was built, there was no policy in place for fire drills to be conducted at any HCCS facility. In addition, evacuation drills are not held. Fire wardens have been trained for all colleges. As of the time of the team site visit, two colleges had not yet conducted fire drills. It is important for facilities to have a well-thought-out evacuation plan that all occupants understand and can carry out in an orderly manner.

Usually a college's Risk Management or Safety Department assumes responsibility for maintaining and controlling risks associated with the physical environment, for developing a safety plan that is used by all campuses and departments of the college and for developing a safety-training program for the entire college. This department is also responsible for monitoring the physical environment to ensure that all safety measures are in place, for identifying areas of potential risk and for eliminating the risks where possible. Generally the Safety Manager is responsible for the daily safety functions for the college and for maintaining a close relationship with state, county and municipal emergency response personnel. Safety specialists are assigned to specific areas within a

college. Safety specialists' salaries range from $28,000 to $45,000 based on experience level. These specialists respond to any complaint or emergency in their area. Periodically, the specialists test the air quality and physical integrity of the facilities, conduct emergency drills and meet with site safety monitors. Because the specialists have a thorough knowledge of their areas, internal problems can be detected and managed early.

Colleges with a sound crisis and safety education plan understand that such a plan requires strong leadership and input from college administrators, faculty, students, media representatives and emergency response personnel. The final plan must be the result of collective ideas from all involved professions and must be tailored to the needs of each campus location. Effective safety training programs include periodic, goal-oriented emergency response exercises. Active training and drills are essential elements of an effective crisis plan and safety program and procedures. These exercises drastically reduce panic and delay during an unexpected natural or man-made disaster.

Recommendation 57:

Hire one safety specialist to help develop a comprehensive safety education plan and conduct periodic fire inspections and drills, air-quality testing, asbestos abatement and safety training throughout HCCS.

Safety issues have become an important topic of concern since the September 11 attack. HCCS accepts liability for the safety of every individual who enters its facilities. An additional safety specialist should provide enough staff resources to give this issue proper attention. HCCS should take a more preventative approach to protecting its students, faculty and staff. Reacting to an emergency without an adequate plan leaves the institution at risk and could prove disastrous.

The safety specialist should be a certified fire inspector who is certified to perform air-quality testing and asbestos testing.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The director of Safety and Loss Control meets with the Houston Department of Emergency Response to research effective crisis plans.	July 2003
2.	The director of Safety and Loss Control, the risk manager, the executive director of Facilities Management and the executive director of Financial and Budgetary Control draft a safety education plan that includes mandatory disaster drills at all	August - October 2003

	system facilities twice a year. The plan should detail the objectives of the drill and should provide performance standards to measure HCCS' emergency readiness.	
3.	The director of Safety and Loss Control develops a job description for the safety specialist. Prerequisites include environmental safety certifications that the system must contract out on a regular basis.	August 2003
4.	The director of Safety and Loss Control drafts an action item for the board to create a safety specialist position. The draft item should include the fiscal impact of creating the position.	August 2003
5.	The board approves the creation of the safety specialist position.	September 2003
6.	The Human Resources Department posts the opening and screens initial candidates.	September - October 2003
7.	The director of Safety and Loss Control interviews candidates and makes a selection.	October - November 2003
8.	The safety specialist is hired.	November 2003

FISCAL IMPACT

The annual salary for the safety specialist is estimated at $45,000. Including benefits, the annual cost would be $47,700 ($45,000 salary x 6-percent benefit rate = $2,700). In the first year, the cost would be $39,750 because the position would not be filled until November 2003 ($47,700/12 months = $3,975 per month x 10 months).

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08
Hire one safety specialist to help develop a comprehensive safety education plan and conduct periodic fire inspections and drills, air-quality testing, asbestos abatement and safety training throughout HCCS.	($39,750)	($47,700)	($47,700)	($47,700)	($47,700)

Chapter 6
ASSET AND RISK MANAGEMENT

E. Accounts Receivable, Tuition and Fee Collection Process

Community colleges charge tuition and fees based on the number of semester hours for which the student enrolls. The total tuition and fee rates vary by the residency of the student. Institutions charge higher rates for out-of-district and out-of-state students. Systems are required to waive tuition and/or fees for certain groups of students, which include, for example, the children of prisoners of war, deaf and blind students, disabled peace officers and the highest-ranking graduates from accredited high schools. Some exemptions and waivers are limited to a certain number of semesters, and others have no limits. Tuition and fees are a major source of community college funds. In 2001-02, tuition and fees were 26.2 percent of HCCS' total revenues.

State law establishes the framework for determining tuition for Texas community colleges. Chapter 54.051 (n) of the TEC confers tuition-setting authority on the governing board and establishes minimum tuition rates that community colleges may charge. There are no upper limits on community college tuition. The TEC states:

> *Tuition for a resident student registered in a public junior college is determined by the governing board of each institution, but the tuition may not be less than $8 for each semester credit hour and may not total less than $25 for a semester. Tuition for a nonresident student is determined by the governing board of each institution, but the tuition may not be less than $200 for each semester.*

Community colleges have different tuition rates depending on student residency. Typically, a student who lives within the college tax district pays less because that tuition is supplemented by tax dollars. Students, who live outside the tax district, but within the state, pay higher rates than in-district students. Out-of-state students pay the highest rates. The cost per credit hour is determined by the address on file in the student's permanent record and residency status as defined by the TEC.

Exhibit 6-21 shows HCCS tuition and fee rates for 1999-2000 through 2002-03. Since 1999-2000, HCCS tuition and fees have increased by 43.3 percent for in-district students, by 61.1 percent for out-of-district students and by 12.5 percent for out-of-state students.

Exhibit 6-21
HCCS Fall Tuition and Fee Rates per Hour by Student Status
1999-2000 through 2002-03

Type Fee	1999-2000			2000-01			2001-02			2002-03		
Student Status	ID	OD	OS	ID	OD	OS	ID	OD	OS	ID	OD	OS
Tuition Fee	$11	$11	$62	$16	$16	$67	$19	$19	$70	$19	$19	$70
General Fee	$17	$17	$40	$17	$17	$40	$18	$18	$41	$20	$20	$43
Out-of-District Fee	$0	$24	$0	$0	$24	$0	$0	$29	$0	$0	$44	$0
Technology Fee	$2	$2	$2	$2	$2	$2	$2	$2	$2	$4	$4	$4
Total	**$30**	**$54**	**$104**	**$35**	**$59**	**$109**	**$39**	**$68**	**$113**	**$43**	**$87**	**$117**

Source: HCCS, Business Operations.
ID: In-district, OD: Out-of-district and OS: Out-of-state.

Exhibit 6-22 compares total 2002-03 tuition and fees per semester hour for HCCS and its peers. HCCS charges the second-highest tuition and fees for both in-district and out-of-district students.

Exhibit 6-22
HCCS and Peers Tuition and Fee Rates per Hour by Student Status
2002-03

Type Fee	In-District	Out-of-District
Austin	$46	$95
HCCS	**$43**	**$87**
Alamo	$40	$65
North Harris Montgomery	$38	$78
Dallas County	$26	$46
Peer Average	**$38**	**$71**

Source: HCCS, Business Operations; Peer College Fact Sheets, 2002-03.

HCCS uses the student accounting module of the financial management system to record student transactions. The Student Financial Services

Division processes the student accounting side of student transactions, and the Cash Management Department processes cash-related transactions. Campus cashiers run cashiering reports at the end of each day. Cashiers balance their credit card receipts, cash and checks with what is shown on the cashiering report. Once the cashiering report has been reconciled, the cashiers complete a deposit slip for cash and check receipts. The head cashier verifies the cashiering report and the deposit slip and then forwards a copy to the Cash Management Department.

FINDING

The system has instituted measures to ensure collection of student tuition and fees. In August 2001, HCCS contracted with a collection agency to collect delinquent student accounts. The agency receives 17 percent of all fees collected. HCCS now blocks students from registering for additional courses if they have any outstanding balance on their account.

HCCS allows students to pay their fees on an installment plan if they are unable to pay tuition and fees in a lump sum. In the past, there has been no perceived enforcement of penalties for students who write bad checks for tuition and fees. In the August 31, 2000, external audit report, there was a finding related to a $105,966 increase in the institution's reserve for bad debt due to the slow collection of delinquent accounts. There was no such finding in the subsequent report.

COMMENDATION

HCCS' installment and tuition plan and its use of a collection agency have reduced delinquent tuition and student fees.

FINDING

The Cash Management Department has worked with credit card processors to improve the efficiency of reconciling credit card payments. HCCS accepts MasterCard, Visa and American Express. In the past, credit card processors remitted credit card receipts less the processing fees and provided summary reports of the transactions. This caused problems for the Accounting Department and delays in the reconciliation process. The deposit transmission on the bank statement would not match any of the credit card batch totals tabulated on the cashiering report, and there was no detail to determine what payments were contained in the batch. This occurred because the credit card batch totals were the gross amount of the transactions, while the deposits were the net amount of the transactions because the fees had been taken out. It took several days to reconcile each credit card batch and match it to the actual transaction. MasterCard and Visa processors now invoice the system for processing fees once a month.

The fees are automatically debited from the HCCS operating account. Credit card processors also submit detailed daily reports to assist the Accounting Department in reconciling the bank statements.

COMMENDATION

HCCS' credit card reconciliation process has become more efficient by requiring that gross deposits be remitted, service fees be taken out once a month and detailed reports be provided by the processors.

FINDING

The cashiering function at HCCS is decentralized and inefficient. The cashiers report to the college operating officer rather than to the bursar in the Student Financial Services Division or the manager in the Cash Management Department. This has caused problems with communication among the central office and the college satellites. The cashiers are often the only point of contact the administration has with students. Students come to the cashiers with all billing problems. Often cashiers must send students away without answers and direct them to another department. This leaves students with the perception that their problems are not being given adequate attention.

Procedural changes have been made at HCCS that has slowed down the cashiers' work. For example, the college cashiers told TSPR that their lookup access in the financial management system for some functions has been reduced and that the cashiers don't have access to financial aid information to assist them in doing their job. Cashiers do not have access to student transcripts because the financial management system does not provide access, but HCCS is working on obtaining access. Although the cashiering function is essential to the workflow of the Student Financial Services Division and the Cash Management Department, these departments do not have access to information from the other systems. Although there are periodic cashier meetings, interviews with the review team indicated that these meetings do not provide much value.

ACC has centralized its cashiering through the ACC Cashier's Office. The Cashier's Office is the focal point for cash collection, handling, management and safekeeping. There are cashier's offices located at each of the six campuses and at the central office administration building. By centralizing the cashiering function, ACC has been able to develop procedures that are followed in every cashiering office. This has made it easier to reconcile campus transactions recorded in the student system to the general ledger because cash-processing procedures are uniform.

Recommendation 58:

Reorganize the cashiering structure to report directly to the Student Financial Services Division.

It is difficult to maintain consistency when each cashiering office operates under its own guidelines and procedures. Cashiers should stay in close contact with the Student Financial Services Division. Uniform procedures will increase the efficiency of the cashiering function. Communication between the college cashiers and the system will improve under a centralized reporting hierarchy.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The chancellor and the vice chancellor for Finance and Administration draft a new organization structure for the cashiers. Cashiers will no longer report to the COO but will become part of the Student Financial Services Division.	August 2003
2.	The bursar develops uniform cash-handling procedures for the entire institution.	August 2003
3.	The bursar meets with all cashiers to discuss the new department structure and provides training on the new procedures.	September 2003
4.	The cashiers meet with the bursar at the beginning of every month to discuss issues from the prior month and to attend training sessions to keep up to date on procedures.	September 2003 and Monthly Thereafter

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

Although the Student Financial Services Division has hired two accountants since 1999, they are not used effectively. One accountant was reassigned to the Information Technology Department to work with the financial management process for student financing and general ledger. The second accountant was hired in 2001 and has been serving as the interim director of Student Financial Services since the director retired in September 2002. Although the paperwork is in process to replace this person, it has not occurred. This department is responsible for third-party billing, maintaining the billing codes in the financial management system, voiding receipts and waivers, processing payment plans and refunds and researching payments that have not been applied properly. Clerical staff without the supervision of an accountant now completes these activities.

Most student service departments in higher-education settings have an accountant on staff to handle the department's unique accounting needs. Accountants typically cost $35,000 to $40,000 in annual salary for a senior-level accountant with a minimum of three years experience in fund accounting. The Student Financial Services Department must track all information related to every student. Student financial data must be integrated with the college's financial system. The interface between the student financial system and the college's financial system is an integral part of the process. An accountant has the proper training to translate student data into data that can be fed into the college's general ledger.

Recommendation 59:

Hire an accountant for the Student Financial Services Division.

An accountant will provide the Student Financial Services Division with the expertise needed to smooth out the interface between the students and the financial information systems. Clerical staff cannot be expected to understand how the data feed between the two systems, so it is likely that student data are not being reported correctly. Student fees and tuition are a major component of the HCCS revenue base, so it is important that the information be processed and reported properly.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The bursar develops a job description for the accountant position.	July 2003
2.	The bursar drafts an action item recommending that the board create an accounting position in the Student Financial Services Division.	August 2003
3.	The board approves the position.	September 2003
4.	The Human Resources Department posts the position and screens initial applicants.	September - October 2003
5.	The bursar interviews candidates and makes a selection.	October 2003
6.	The accountant is hired and begins work.	November 2003

FISCAL IMPACT

The annual cost for this position will be $42,400 ($40,000 salary + 6-percent benefit rate of $2,400). Since the position will not be filled until November 2003, the fiscal impact in the first year will be $35,330 ($42,400/12 months = $3,533 per month x 10 months = $35,330).

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08
Hire an accountant for the Student Financial Services Division.	($35,330)	($42,400)	($42,400)	($42,400)	($42,400)

Chapter 7
PURCHASING, RECEIVING AND CONTRACTED SERVICES

This chapter reviews Houston Community College System's (HCCS) purchasing, receiving and contracted services in the following sections:

A. Organization and Staffing
B. Policies and Procedures
C. Operation and Bidding Practices
D. Management and Oversight
E. Receiving and Distribution
F. Contracted Services

Efficient purchasing requires management processes that ensure the college system has the supplies, equipment and services vital to its mission. College purchases should come from a competitive source, in the right quantity and at a competitive price that does not sacrifice quality. Community colleges should procure goods and services in accordance with state purchasing guidelines. Careful planning, strong internal controls and cost-efficient practices provide the framework for an efficient procurement system.

An effective process must be in place to ensure colleges receive all purchases in a timely manner. This process should identify how the system receives a purchase, assign accountability for receiving the item, ensure the item is not damaged and establish a means for the colleges' inventory control and asset management systems to track the item.

BACKGROUND

Various federal, state and local laws guide purchasing by public entities. The ongoing challenge for any purchasing department is to balance the needs of the customers with legal requirements, while maintaining fiscal responsibility. Many of the Texas Education Code (TEC) provisions apply to community colleges. However, as institutions of higher education, community colleges are also subject to laws related to public universities. As agencies of local government, community colleges are also subject to laws related to certain provisions of the Local Government Code.

TEC outlines the competitive procurement methods that community colleges must use for purchases that total $25,000 or more during each 12-month fiscal year. TEC exempts vehicle fuel and produce. Community colleges may select from eight TEC approved methods to ensure competitive procurement. **Exhibit 7-1** presents these eight methods.

Exhibit 7-1
Competitive Procurement Methods

Purchasing Methods	Method Description
Competitive bidding	Requires that bids be evaluated and awarded based solely upon bid specifications, terms and conditions contained in the request for bids, bid prices offered by suppliers and pertinent factors affecting contract performance. Forbids negotiation of prices of goods and services after proposal opening.
Competitive sealed proposals	Requires the same terms and conditions as competitive bidding, but allows changes in the nature of a proposal and prices after proposal opening.
Request for proposals	Generates competitive sealed proposals and involves several key elements, including newspaper advertisement, notice to proposers, standard terms and conditions, special terms and conditions, a scope-of-work statement, an acknowledgment form/response sheet, a felony conviction notice and a contract clause.
Catalog purchase	Provides an alternative to other procurement methods for acquiring computer equipment, software and services only.
Interlocal contract	Provides a mechanism for agreements with other local governments, the state or a state agency to perform governmental functions and services.
Design/build contract	Outlines a method of project delivery in which the school district contracts with a single entity for both the design and construction of a project. (The "single entity" is usually a team of firms including a general contractor, architect and sometimes an engineer. One firm rarely does both the design and the construction.)
Job order contracts	Provides for the use of a particular type of contract for jobs (manual labor work) for minor repairs and alterations.
Construction management contracts	Outlines the use of a contract to construct, rehabilitate, alter or repair facilities using a professional construction manager.
Reverse auction procedure	Outlines a bidding process that involves submission of bids by multiple suppliers, unknown to each other, in a manner that allows the suppliers to bid against each other.

Source: Texas Education Code (TEC), Section 44.031.

Under HCCS policy, the Board of Trustees is authorized to delegate responsibility for procurement to the Purchasing Department; no employee can legally bind the institution to any contractual agreement without the board's approval. In addition, any purchase of $25,000 or more requires the board's approval. **Exhibit 7-2** describes the purchasing policies that the board established in Board Policies CF (Local), CM (Local), CF (Legal) and CM (Legal).

Exhibit 7-2
HCCS Purchasing Policies

Dollar Amount	Policy
Under $2,500	The Purchasing Department buyer will verify the information on the requisition and process a purchase order upon determining the best value for HCCS.
$2,500 - $9,999	The buyer/requester will obtain written quotes from a minimum of, but not limited to, three (3) suppliers/vendors.
$10,000 - $24,999	The buyer will verify the information on the requisition and obtain (3) written quotes from the HCCS Vendor List. The buyer will assign a timetable for quote to be processed and returned by the supplier/vendor. Supplier/vendor may mail, hand deliver or fax the quote responses accompanied by supporting documents necessary for the buyer to identify the best value in the best interest of HCCS. The buyer will receive quotes and award based on the evaluation criteria to determine the best value for HCCS.
$25,000 and Over	Competitive bid process takes place. All purchase order requisitions exceeding $24,999 require the Board of Trustees approval. Board of Trustee approval is not required on Qualified Information Systems vendors (QISV), state contracts, board-approved inter-local agreements and cooperatives.

Source: HCCS Board Policy, 2002-03.

Chapter 7
PURCHASING, RECEIVING AND CONTRACTED SERVICES

A. *Organization and Staffing*

The Purchasing Department is located at the administration building at 3100 Main. The department operates on an annual budget of $671,140. The department has had four executive directors since 1998. The turmoil in the top position produced a lack of focus in the department. In January 2001, HCCS named a new executive director of Purchasing. This individual has been working to focus the department on customer service. The department is revising its procedures to emphasize this focus on customer service. To smooth the transition and to implement positive changes, the executive director of Purchasing developed a three-phase plan for long-term improvement of HCCS procurement. **Exhibit 7-3** lists the phases of the plan.

Exhibit 7-3
HCCS Purchasing Department Three-Phase Plan
for Long-Term Improvement

Phase	Goals	Year of Implementation
I. Improving Customer Service	• revise policies and procedures manual • educate departments and staff • increase quote thresholds • develop vendor list • increase responsiveness to phone calls • create Purchasing Department Web site • decrease direct pays	2001-02
II. Developing Buyers	• increase staff development and buyer training • establish vendor relationships • negotiate better contracts and pricing • research alternative supply	2002-03

|	sources • inform departments of policy revisions regularly • increase savings	
III. Re-evaluation	• evaluate progress of goals for Phase I and II • revise procedures and goals	2003-04

Source: HCCS Executive Director of Purchasing, October 2002.

The executive director of Purchasing oversees the day-to-day management of the department. Fourteen full-time employees and one part-time employee report directly to the director: one specifications writer, one senior buyer, six buyer II positions (one position is vacant), four buyer I positions, one Purchasing assistant and one part-time clerk. The executive director of Purchasing reports directly to the vice chancellor for Finance and Administration.

The department's responsibilities include: procuring goods and services for HCCS; expediting delivery of urgently needed goods and services as required; informing departments of alternate sources of supply and related discounts; and maintaining good supplier relationships.

Exhibit 7-4 presents the organization chart for the Purchasing Department.

Exhibit 7-4
HCCS Purchasing Department Organization
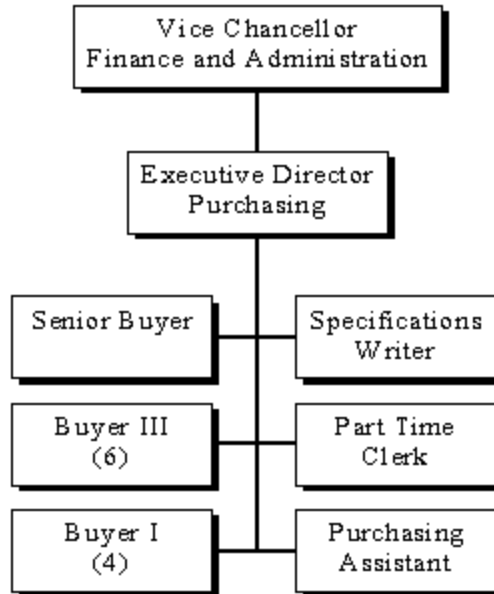
Source: HCCS Purchasing Department, October 2002.

The Purchasing Department assigns each of the 11 buyers and the
Purchasing assistant a specific purchasing responsibility by college,
system or dollar amount. Each college has at least one buyer responsible
for purchasing all items required by that college within designated dollar
amounts. The specifications writer and the senior buyer plan and manage
the competitive bid process for purchases worth more than $25,000. The
specifications writer completes these for the colleges, and the senior buyer
is responsible for the system's purchases of items of this value or more.

The buyers and the Purchasing assistant have other responsibilities that
include producing monthly department reports, maintaining the
department's Web site and developing the list of approved vendors for
HCCS purchases. The executive director assigns duties by workload and
each buyer's interest and skills. In addition, buyers rotate as team leaders
for special department projects. **Exhibit 7-5** lists the procurement duties
and the additional responsibilities of each employee in the Purchasing
Department.

Exhibit 7-5
Purchasing Department Personnel Duties
2002-03

Position	Procurement Thresholds	Additional Duties

Specifications Writer	All colleges		- meets with college staff who have a purchasing need to determine scope and write Request for Proposals (RFP) and Request for Quotations (RFQ) for all colleges on purchases greater than $25,000; - conducts pre-bid conferences; - evaluates bid responses; - prepares contract documents; - verifies bonding requirements; - assists with Small Business Development program; - prepares procurement summary; and - assists with new employee training.
Senior Buyer	System	Bids for purchases greater than $25,000	- coordinates three-month bid matrix; - prepares RFPs, RFQs and pre-bid conferences; - verifies vendor references; - handles bulk Dell Computer orders; - assists economic development staff with training sessions; and - prepares bid evaluations and board Action Items for selected bids.
Buyer II	System	$2,500 - $24,999	- handles NEO Café and Facilities Department requisitions; - prepares department reports (budget, purchase order (PO) turn-around, dollars per vendor); - prepares small business participation report; - has administrative duties (order supplies, time sheet entry); - manages the file; and - is team leader in SP2 upgrade

			testing.
Buyer II	Southeast College	$0 - $24,999	• develops bids and proposals for purchases that are larger than $25,000; • participates in pre-bid conferences; • develops specifications template; and • is team leader for Procurement Card pilot project.
Buyer II	Central College	$0 - $24,999	• develops bids and proposals for purchases that are larger than $25,000; • participates in pre-bid conferences; and • is team leader for the Enterprise Resource Planning (ERP) system workflow development.
Buyer II	Southwest College	$0 - $24,999	• develops bids and proposals for purchases that are larger than $25,000; • participate in pre-bid conferences; and • is team leader for Small Business Development Program.
Buyer II	Northeast College	$2,500 - $24,999	• develops bids and proposals for purchases that are larger than $25,000; and • participates in pre-bid conferences.
Buyer II (Vacant)			
Buyer I	System	$0 - $2,499	• handles pager and cell phone requisitions; • logs all requisitions in database for buyer and requisition

			• tracking; and • assigns and administers maintenance work numbers.
Buyer I	System and all colleges	All open POs	• updates and maintains Purchasing Department Web site.
Buyer I	Northwest College	$0 - $6,999	• is the office supply liaison.
Buyer I			• processes new vendor applications; • creates vendor reports; • photocopies usage reports; • Prepares Auditron reports for 3100 Main; • assigns passwords for photocopier usage; and • manages vendor table in purchasing system.
Purchasing Assistant	Northeast College	$0 - $2,499	• assists buyers in creating mailing labels; • assists buyers with vendor lists; and • has typing and filing duties.

Source: HCCS Purchasing Department.

HCCS processed 8,051 purchase orders (POs) in 2001-02. The average number of POs that the Purchasing Department processes each month has grown every year since 1999-2000. In an average month, the department processed 58 percent more POs during 2002-03 than 2001-02. **Exhibit 7-6** lists the number of annual purchase orders, total dollars, average POs per month and the percentage increase in monthly averages between 1999-2000 and 2002-03.

Exhibit 7-6
HCCS Purchase Order Activity
1999-2000 through 2002-03

Year	POs	Total Dollars	Average POs	Percentage

	Processed	Processed	per Month	Change - Average POs per Month
*1999-2000	5,710	$55,101,364	476	N/A
2000-01	6,405	$33,216,920	534	12%
2001-02	8,051	$39,725,050	671	26%
2002-03	**2,106	$14,561,516	1,053	58%

Source: HCCS Purchasing Department, PeopleSoft Report, PO Counts and Totals, for the years 2000-01, 2001-02 and 2002-03 and Purchase Orders Outgoing Report 1999-2000.
*HCCS was only able to supply 10 months of information for 1999-2000; the review team extrapolated a full year of activity from these 10 months.
** As of October 25, 2002.

FINDING

The Purchasing Department regularly presents Lunch-n-Learn information sessions to improve communication with user divisions and promote understanding of purchasing policies and procedures. The department offers its series of Lunch-n-Learn meetings at the system headquarters and throughout the campuses. The meetings are open to all institution staff.

When HCCS hired the executive director of Purchasing in June 2001, there was a critical lack of confidence in the Purchasing Department's service. The new director received high volumes of calls each day from various institution employees with negative comments about the purchasing process, the department and its personnel. Comments from user divisions included complaints about buyers not answering their phones, purchase requisitions that were lost and a slow, cumbersome purchasing process. The constant turnover in the director position had caused frequent miscommunication about policy changes and created hostility toward the department and among purchasing personnel. User divisions often followed procedures that were misinterpreted or changed after already experiencing long delays in the processing of orders. The result was poor customer service and a negative perception of the department.

The executive director of Purchasing implemented the Lunch-n-Learn program in September 2001. The department has presented 12 Lunch-n-

Learn meetings. One of these meetings was at the system headquarters; the Purchasing Department held the other 11 meetings at various campus locations. Approximately 50 individuals attended each presentation.

Lunch-n-Learn meetings cover various topics such as purchasing policies and procedures; quote thresholds and requirements; competitive bid processes; uses of the Purchasing Department Web site; direct pay guidelines; and purchase order account codes. The presentations conclude with a question and answer session that provides opportunities for buyers and customers to discuss issues directly. The executive director of Purchasing leads the presentations; various buyers sit at the front of the room to personally identify themselves to customers. The department plans to begin training the department's buyers to lead Lunch-n-Learn sessions in February 2003.

There has been a marked improvement in the perception of the department as a result of the Lunch-n-Learn program. All interviewees during the review process commented positively about the Lunch-n-Learn program and said it helped them better understand purchasing procedures. The attendance at the meetings shows there is interest in the program.

Comments from various customers of the Purchasing Department indicate that that the Lunch-n-Learn program has had positive effects. **Exhibit 7-7** provides examples of these comments.

Exhibit 7-7
Comments to Review Team
from Purchasing Department Customers

Comment
• It gave me a lot of new information about the vendor list and requisitions are easier and faster now.
• The session I attended was informative about use of the Purchasing Department Web site and how to use it to help learn how to classify accounts on purchase requisition.
• I thought it was a good session and it taught me a lot of new things, and I appreciated that they gave me updated forms and other information that I was able to disseminate to the other employees in my department. I think it's a great concept and HCCS should continue to offer the sessions in the future.
• I've been to two sessions. I got a lot out of the class and learned things I

wasn't aware of previously. The things they taught that I did already know were good for purposes of reinforcement. I would definitely attend one in the future and I hope HCCS continues having them.

- I'd like to have more sessions at my college. It is very helpful to have opportunities for all levels of college staff to learn the procedures.

Source: TSPR Review Team Interviews, November 2002.

COMMENDATION

Lunch-n-Learn sessions have improved the efficiency of the purchasing process, built rapport between the Purchasing Department and its customers and increased overall customer satisfaction.

FINDING

The Purchasing Department is not adequately staffed or trained to effectively manage the system's procurement needs. Only one of the buyers has prior purchasing experience, and there are no certification requirements for any positions in the department. In addition, buyers and other Purchasing Department personnel do not receive adequate training. The lack of credential requirements indicates that HCCS does not recognize buyers as professionals.

The executive director of Purchasing has a master's degree in Business Administration and 20 years of purchasing and materials management experience. The executive director is pursuing a Certified Purchasing Manager (CPM) designation. All 15 employees in the department report directly to the executive director Purchasing. The lack of staff expertise makes the wide span of control necessary. For example, although the specifications writer has more than 40 years of procurement experience, only two of the buyers have experience in procurement outside of HCCS. None of the purchasing employees have attained a professional purchasing certification.

The job description of a buyer I at HCCS requires a high school diploma and two years of procurement experience. The buyer II qualifications are either a bachelor's degree, with a minimum experience requirement of three years, or eight years of experience in procurement. The education requirement for the senior buyer position is a bachelor's degree and three years of purchasing experience (HCCS prefers, but does not require, a degree in Business or Purchasing) or eight years of experience. Since only

two of the buyers had procurement experience before they began work at HCCS, the staff gained most of their knowledge on the job at HCCS.

Purchasing personnel have not attended staff development or purchasing-specific in-service training. The executive director of Purchasing plans to establish a budget and identify staff development needs for 2003-04. Several national organizations offer programs that promote professional excellence and enhance the career of purchasing professionals. **Exhibit 7-8** lists three examples of purchasing organizations with the professional designations each offer and their attainment requirements.

Exhibit 7-8
Examples of Professional Purchasing Organizations and Designations Offered

Organization	Designation and Requirements
Institute for Supply Management (ISM) (previously National Association of Purchasing Management)http://www.napm.org/	*Certified Purchasing Manager (CPM)* • five years of full-time professional (non-clerical, non-support) purchasing and supply management experience; or • four-year degree from an accredited institution and three years of full-time professional purchasing and supply management; and • pass all four modules of the CPM exam. *Accredited Purchasing Practitioner (APP)* • two years of professional (non-clerical, non-support) work experience; or • associate's degree from an accredited

	institution and one year of professional experience. Purchasing and supply management experience can be a secondary component of the applicant's job; and • pass modules 1 and 2 of the APP exam;
Texas Building and Procurement Commission (TBPC)http://www.gsc.state.tx.us/stpurch/trn-toc.html	*Certified Texas Public Purchaser (CTPP)* • one year of experience and successful completion of a written test after required coursework in Texas public purchasing principles (two courses): *1. Texas Basic Public Purchasing (2 1/2 day course, ~20 hours)* 2. Texas Advanced Public Purchasing (2 1/2 day course, ~20 hours). Certified Texas Procurement Manager (CTPM) • three years experience and successful completion of a written and oral test after required coursework in Texas purchasing principles (five courses): *1. Texas Basic Public Purchasing (2 1/2 day course, ~20 hours)*

	2. Texas Advanced Public Purchasing (2 1/2 day course, ~20 hours) *3. Contract Administration (1-day, ~8 hours)* *4. Negotiation Skills (1-day, ~8 hours)* *5. Cost and Price Analysis (1-day, ~8 hours).*
National Institute of Governmental Purchasing (NIGP)http://www.nigp.org/	*Certified Professional Public Buyers (CPPB)* Schedule A • high school diploma or GED; • 12 college credit hours in purchasing or 96 contact hours*; and • five years purchasing experience (three years must be current public purchasing experience). Schedule B • associate's degree; • 11 college credit hours in purchasing or 96 contact hours*; and • four years purchasing experience (three years must be current public purchasing experience). Schedule C • bachelor's degree; • six college credit hours in purchasing or 48 contact hours*; and • bachelor's degree; • six college credit hours

in purchasing or 48 contact hours*; and

- two years of current public purchasing experience.

Schedule D

- advanced degree (master's or Ph.D.);
- three college credit hours in purchasing or 24 contact hours*; and
- two years of current public purchasing experience.

Certified Public Purchasing Officers (CPPO)

Schedule A

- holder of CPPB Designation;
- 18 college credit hours in purchasing or 144 contact hours*; and
- eight years purchasing experience (six years must be current public purchasing experience, of which three years are in a management function).

Schedule B

- bachelor's degree;
- six college credit hours in purchasing or 48 contact hours*; and
- three years purchasing experience (two years must be current public purchasing experience, both of which are in a

	public purchasing management function).
	Schedule C
	- advanced degree (master's or Ph.D.); - three college credit hours in purchasing or 24 contact hours*; and - three years purchasing experience (two years must be current public purchasing experience, both of which are in a public purchasing management function).
	* in purchasing seminars

Source: ISM, TBPC and NIGP Web sites.

The slightest deviation from legal requirements, regulations and established policies and procedures can compromise the integrity of an institution's procurement process. This complexity of the purchasing environment demands that personnel receive consistent training in purchasing laws and industry practices. The executive director of Purchasing has plans to develop the skills of HCCS buyers to build vendor relationships; negotiate discounts and payment terms, while analyzing purchases by dynamics other than the lowest bid; and provide purchasing expertise to user departments, including those with specialized needs such as the cafeteria and the theatre for the student drama program. Procurement certification organizations teach these skills. Many professional certifications require continuing education courses that provide knowledge and understanding of updated and revised purchasing laws.

According to the NIGP, "the national trend in governmental purchasing is for mandatory certification of procurement personnel. It is a symbol to the taxpayers that the people managing tax dollars have reached a high level of education and experience and are knowledgeable about government purchasing." In Texas, the 75th Legislature mandated that all state agency and university purchasing personnel be trained and certified to the extent required by Section 2155.078 of the Texas Government Code and Title 1 Section 113.1 of the Texas Administrative Code. The goal of this mandate is to exceed the statutory requirements and provide Texas with the best

and most qualified purchasing professionals available. Although the requirement does not apply to community colleges, the requirement is an effective practice for developing purchasing personnel with valuable knowledge of generally accepted procurement practices, techniques and trends.

Alamo Community College District (ACCD) requires that the buyers at different levels take continuing education courses depending on their specific responsibility. ACCD buyers take various combinations of the following TBPC courses: Basic Public Purchasing (3 Days), Advanced Public Purchasing (3 days), Purchasing Contracts (3 days) and Purchasing Law (2 days). ACCD requires candidates for a buyer position to have a Bachelor's degree and three to five years of public purchasing experience. The community college prefers a Certified Purchasing Manager (CPM) certification from ISM.

Recommendation 60:

Upgrade job descriptions to encourage certification and reorganize the Purchasing Department based on appropriate credentials.

HCCS should reorganize the Purchasing Department to allow senior buyers to hold management-level duties. To accomplish this, HCCS should elevate the senior buyer and two of the buyer II employees to professional status. This requires that the three employees attain a professional designation and that the two buyer IIs that earn the designation be promoted to senior buyer. The remaining three buyer II positions will remain at this level; however, HCCS should encourage them to attain certification to help them gain the knowledge necessary for a potential future promotion to senior buyer.

HCCS should pay for certification training for the three new senior buyer positions. The promoted employees should be eligible for a related salary increase. Likewise, buyers should understand that HCCS will base its promotions on their professional designation and their demonstrated skill and knowledge of the latest purchasing trends and techniques.

In addition, HCCS should eliminate the part-time clerk position. The department has a full-time purchasing assistant to dedicate to administrative support. The new organization of the department allows for the senior buyers to delegate support responsibilities to buyer I positions if necessary. Also, as the buyers increase their skill levels and become more efficient, their need for this level of support will not be necessary.

Exhibit 7-9 presents the review team's proposed reorganization of the Purchasing Department.

Exhibit 7-9
Proposed Purchasing Department Organization
2002-03
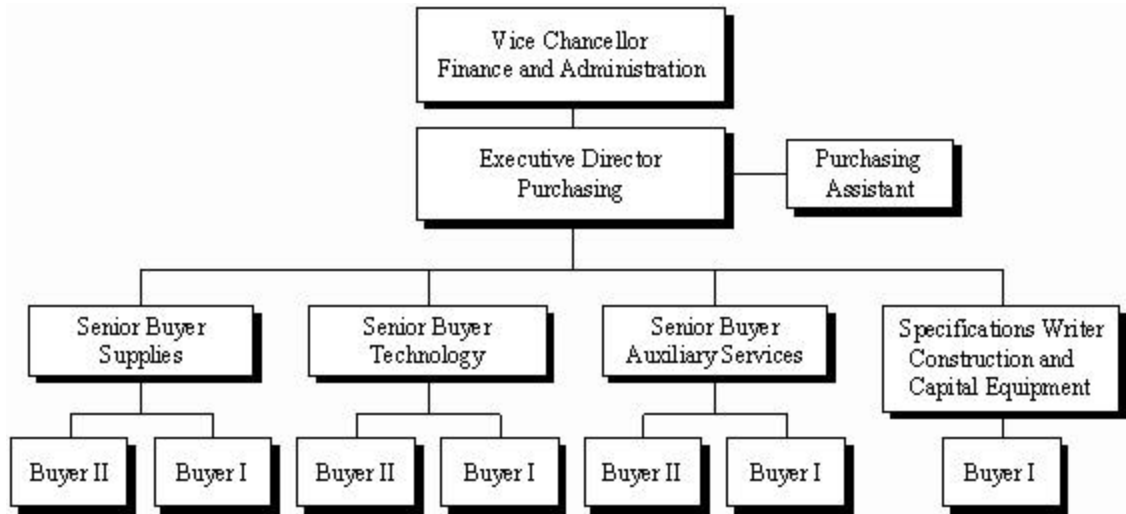
Source: Gibson Consulting Group, November 2002.

The recommendation does not change the job responsibilities for the buyers. They will continue to perform the same duties, but rather than being assigned all types of purchases by college, they will be purchasing based on commodity type. Therefore, the basic job descriptions will remain the same. The reorganization will be based on the type of commodity being purchased and will no longer be dependent on the number of colleges.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The executive director of Purchasing develops a plan for the department's reorganization.	July 2003
2.	The executive director of Purchasing rewrites the Purchasing Department's employee job descriptions.	July 2003
3.	The vice chancellor for Finance and Administration approves the employee job descriptions and the reorganization plan.	August 2003
4.	The executive director of Purchasing directs the Purchasing clerk to research purchasing organizations and produce certification dates, procedures and applications.	August 2003
5.	The executive director of Purchasing meets with purchasing personnel as a group and individually to notify all staff of the new requirements and the options for each employee.	August 2003

6.	The executive director of Purchasing begins the interview process for buyers applying for the promotion to senior buyer.	September - November 2003
7.	The executive director of Purchasing, with the approval of the Human Resources Department, chooses three buyers to attain the required certification and resulting promotion to senior buyer.	November 2003
8.	The executive director of Purchasing monitors the efforts to gain certifications by the chosen employees and revises the reorganization plan as necessary.	November - December 2003
9.	The executive director of Purchasing begins the promotion process for the buyers he promoted.	December 2003
10.	The executive director eliminates the part-time clerk position.	January 2004
11.	The executive director of Purchasing reorganizes the Purchasing Department.	January 2004

FISCAL IMPACT

The fiscal impact of certifying three employees, promoting two buyers and eliminating one part-time clerk to implement the reorganization of the Purchasing Department will result in an annual savings of approximately $37,933 ($10,422 salary increase cost + $8,546 part-time clerk wages savings + $39,809 vacant buyer II salary savings) and a one-time cost for certification of $1,620 during the first year of implementation.

In order to obtain the recommended certification for three employees, HCCS will incur a one-time cost of approximately $1,620 ($540 x 3 employees) and a related annual increase in salary expenditures of $10,422. The review team estimated the certification expenditure for the three senior buyer positions by comparing the costs of certification required from the three organizations listed in

Exhibit 7-8 and using the highest fee. A CPM certification from the Institute for Supply Management (ISM) requires a fee of approximately $540 to participate in the CPM examination. This organization requires recertification every five years. The related salary increase of the two buyers is estimated using the average salary of the two highest paid buyer II's, and calculating the difference between this value and the senior buyer salary. The difference is the increase in salary for two employees. HCCS will incur an annual cost of $10,422 in salary expenditures [($45,824 senior buyer salary - $40,908 average of two highest buyer II salaries) x 1.06 benefits x 2 employees].

The part-time clerk position works about 19 hours per week at an hourly wage of $8.65. Eliminating this position will result in a savings of $8,546 ($8.65 per hour x 19 hours x 52 weeks].

The review team recommends that HCCS does not fill the vacant buyer II position that is already allocated for in the budget. The position will not be necessary once HCCS elevates the skill-level of the staff. The review team estimated the savings of this eliminated position by using the average salary of the five buyers in this position plus benefits. This action will save HCCS $39,809 annually. The savings represent the approximate annual salary of this position ($37,556 x 1.06 benefits).

The overall annual savings for implementing this recommendation is $37,933 ($8,546 + $39,809 −$10,422). The one-time cost of certification fees and the savings will begin in January 2004; therefore, the review team adjusted the fiscal impact for 2003-04 ($37,933/12 x 8 months - $1,620 = $23,669).

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08
One-time cost for certification.	($1,620)	$0	$0	$0	$0
Upgrade job descriptions to encourage certification and reorganize the Purchasing Department based on appropriate credentials.	$23,669	$37,933	$37,933	$37,933	$37,933
Shared Net Savings	**$22,049**	**$37,933**	**$37,933**	**$37,933**	**$37,933**

Chapter 7
PURCHASING, RECEIVING AND CONTRACTED SERVICES

B. Policies and Procedures

Sound policies and systematic procedures support an effective purchasing system. Well-written procedures that are readily available to institution staff help to ensure compliance with state purchasing laws and internal purchasing policies. Institutions with successful purchasing programs in place use the following practices:

- establish a set of board approved purchasing policies that follow applicable laws and guidelines;
- document well-defined administrative procedures for implementing policies that reflect step-by-step guidelines for user departments and purchasing staff; and
- create policies and procedures that the institution clearly communicates to potential vendors and the general public.

The district's purchasing policies reflect the requirements under TEC sections relating to community college purchasing (51.9335 and 73.115). HCCS distributed an updated Purchasing Policies and Procedures manual throughout the institution in November 2002. HCCS also posts the purchasing manual on the HCCS Web site.

The HCCS procurement process begins with an identified need and ends with the fulfillment of that need through the delivery of goods or the performance of services. HCCS requires budget authorities to approve all purchase requisitions. The board approves requisitions totaling $25,000 or more. Each college establishes the criteria that determine its budget authorities. Individuals or departments initiate requisitions. The Purchasing Department generates purchase orders (POs) after it receives a requisition that the appropriate budget authorities have authorized. **Exhibit 7-10** outlines the HCCS purchase order process.

Exhibit 7-10
HCCS Purchase Order Flow Chart
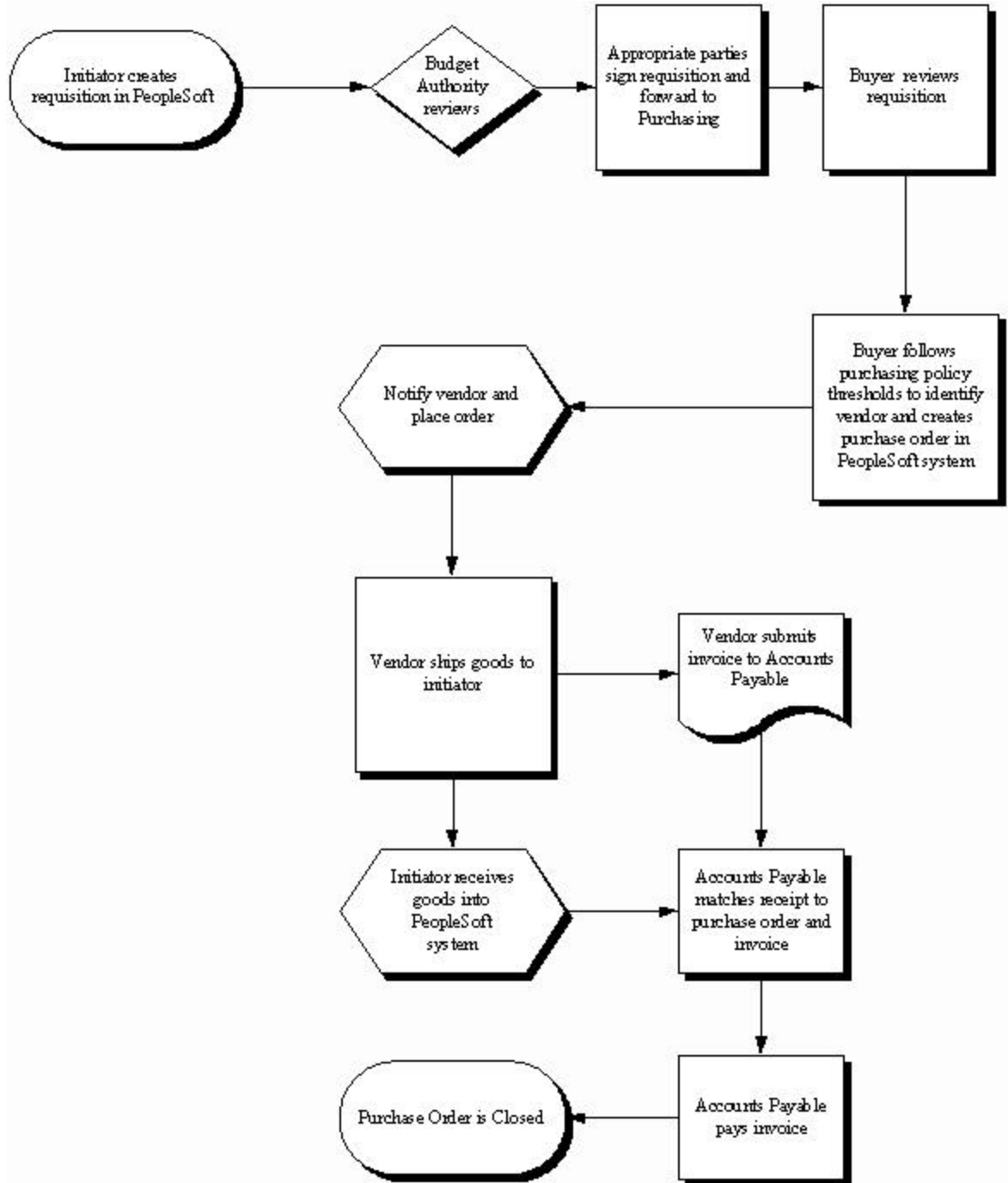
Source: HCCS Purchasing Department, October 2002.

FINDING

HCCS implemented a pilot Procurement Card (P-Card) program to reduce
the large volume of the colleges' financial transactions. Authorized

employees make purchases with the P-Card, which looks like a credit card. Institutions typically use procurement cards to purchase low-cost, recurring items instead of using a purchase order. Institutions use P-Cards to maintain control of expenses while reducing the administrative costs associated with authorizing, tracking and paying for these small purchases. Institutions can build controls into the P-Cards that allow the institutions to monitor, track and evaluate employee spending activities.

HCCS began using the P-Card to create efficiencies in the purchasing operation. HCCS will realize an added benefit from a bank program that will distribute a rebate to HCCS on total P-Card purchases. The rebate contract that HCCS is negotiating with the P-Card bank will pay a rebate of 5 percent on all purchases made on an HCCS procurement card to the system. Annual purchases of $500,000 would result in a rebate of $25,000. The executive director of Purchasing plans to use the rebate dollars to fund scholarships for students beginning in 2004-05.

The P-Card pilot program began in January 2003. HCCS tested one pilot card during January 2003 to ensure the transactions would generate data accurately through the financial system. HCCS is testing a second card during February 2003 while training a pilot group of 15 employees on the use of P-cards. The system planned to distribute procurement cards to the designated HCCS employees on March 1, 2003, after the system completes the data-testing period. HCCS will require all P-Card users to attend a mandatory training session that will explain guidelines for using the card, including penalties for misuse.

HCCS established the P-Card program with a major bank that HCCS authorized to encode each card so that it is only accepted for certain types of goods or services. The system allows each cardholder the ability to make purchases only for goods or services that fall within specific codes. In addition, the P-Cards will exclude specific vendors if HCCS has a contract or preferred supplier agreement in place. The Purchasing Department will monitor the use of the HCCS P-Card for compliance with TEA's $25,000 aggregate purchasing policy. HCCS established the following controls for its P-Cards:

- single transaction limit of $200;
- monthly purchase limit of $1,500;
- monthly report by account code;
- rejection report (unauthorized purchases that cardholders attempt);
- online review of transactions;
- random cardholder audits;
- no authorized transactions for liquor, food or cash withdrawals; and
- use of the P-Card is a privilege and there is a zero-tolerance policy.

There is a plan to pay specific groups of invoices with the P-Card through the Accounts Payable Department. These invoices would be in addition to the purchases made by HCCS faculty and staff using the procurement card for their small purchases.

COMMENDATION

The Purchasing Department implemented a procurement card program to reduce administrative costs, increase control and create efficiencies in the purchasing process.

FINDING

HCCS does not have a standard authorization procedure in place for purchasing requisitions; the existing process is time-consuming and cumbersome. Each college has a different purchase approval process. Often the requisition must be signed, at a minimum, by the originator, the department chair, the dean, the college operating officer and the president before the Purchasing Department can process it.

Individuals initiate a purchase by entering a requisition in the financial management system. The entry generates a system requisition date, and a paper requisition enters the college's authorization procedure. After the requisition is authorized, the college sends the requisition to the Purchasing Department. One of the buyers enters the authorized requisitions into a log that tracks the arrival of each requisition.

There is often a significant delay between the time the originator enters the requisition into the ERP system and the time that the paper copy reaches the Purchasing Department. The paper requisition may sit on a desk for up to three weeks awaiting a signature.

College administrators commented to the review team that they do not support the multiple levels of authorization, and the procedure requirements are, in most cases, an inefficient use of their time. System staff makes large volumes of requisitions, and the administrators have already delegated procurement monitoring duties to other staff members.

The review team analyzed a random sample of HCCS POs to determine the turn-around time for a purchase order. The review team tracked one PO from each month of 2001-02 from the system's requisition date to the PO date. **Exhibit 7-11** summarizes the sample of purchase orders from 2001-02 and the elapsed time from initial requisitions to a finalized purchase order.

Exhibit 7-11
Sample of HCCS POs
Average Days Elapsed from System Requisition Date to Finalized PO
2001-02

Requisition Number	Requisition Date	Purchase Order Date	Total Days to Process the Purchase Order
9274	9/13/01	10/8/01	25
10366	10/8/01	11/19/01	42
11583	11/13/01	11/27/01	14
11,414	11/7/01	12/12/01	35
12115	12/6/01	1/22/02	47
12864	1/17/02	2/4/02	18
13375	2/11/02	3/1/02	18
13848	3/1/02	4/2/02	32
14468	4/2/02	4/17/02	15
17079	6/21/02	7/11/02	20
17855	7/23/02	8/21/02	29
18017	8/7/02	8/20/02	13
Average per PO			**26**

Source: HCCS PeopleSoft Report.

The total days to process an HCCS PO ranged from 13 to 47, an average of 26 days. The review team analyzed these same 12 POs in the Purchasing Department's log to measure the department's performance once it actually received the requisition from the college. **Exhibit 7-12** calculates the number of days the Purchasing Department spent turning the requisition into a finalized Purchase Order.

Exhibit 7-12
Sample of HCCS POs
Average Days for Purchasing Department
To Make a Finalized PO after Receiving a Requisition
2001-02

Requisition	Requisition	Date	Days	Purchase	Number of

Number	Date	Received by Purchasing Department	Elapsed	Order Date	Days the Purchasing Department Spent Completing a PO
9274	9/13/01	10/3/01	20	10/8/01	5
10366	10/8/01	11/14/01	37	11/19/01	5
11583	11/13/01	11/21/01	8	11/27/01	6
11414	11/7/01	11/28/01	21	12/12/01	14
12115	12/6/01	1/21/02	46	1/22/02	1
12864	1/17/02	2/4/02	18	2/4/02	0
13375	2/11/02	2/21/02	10	3/1/02	8
13848	3/1/02	4/1/02	31	4/2/02	1
14468	4/2/02	4/5/02	3	4/17/02	12
17079	6/21/02	7/2/02	11	7/11/02	9
17855	7/23/02	8/21/02	29	8/21/02	0
18017	8/7/02	8/20/02	13	8/20/02	0
Average per PO			**21**		**5**

Source: HCCS PeopleSoft Report.

Although the average turn-around time for a purchase order is 26 days, 81 percent of this time elapses during the authorization process before the Purchasing Department receives the requisition. Once the department receives a requisition, it completes a PO in an average of five days.

Alamo Community College District (ACCD) has a policy that limits the number of approvals necessary to process purchase requisitions. The policy adds efficiency to the purchasing function by assigning final authority on all purchase requisitions to no more than two individuals. All purchase requisitions need a "second-level" authorization to be processed. ACCD assigns either "first-level" or "second-level" authority to specific employees. A requisition issued by an authorized "second-level" employee is automatically approved and requires one authorization. Therefore, a department dean or other budget authority is eligible for final approval in some cases. In addition, a vice president is the highest level position that reviews purchases. Limiting the number of authorizations and required

review by higher-level positions such as a college president decreases the number of days to complete a purchase order at ACCD.

Recommendation 61:

Streamline the authorization process.

Developing a consistent policy that provides authorization privileges to positions already approved as budget authorities will streamline the approval process and alleviate duplicative efforts by college presidents. HCCS should delegate final approval for purchase requisitions to employees such as deans, vice presidents and COOs that have been assigned budget authority status. HCCS should also review the personnel who have been assigned budget authority in the past to determine if these individuals will attain privileges under the new authorization policy. Overall, HCCS will receive purchases faster with less effort and fewer redundant actions.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The vice chancellor for Finance and Administration develops a policy for assigning purchase requisition authority to any approved budget authority.	July 2003
2.	The vice chancellor for Finance and Administration and the executive director of Purchasing meet with all presidents to implement the policy revision.	July 2003
3.	Each president reviews the budget authority assignments to determine if revisions are necessary and notifies budget authorities of any modifications.	August 2003
4.	The executive director of Purchasing incorporates the new policy into the Purchasing policies and procedures.	August 2003
5.	Budget authorities begin to authorize purchase requisitions and college administrators have reduced duties.	September 2003 and Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

The Purchasing Department's file room is not well organized. The department files POs alphabetically by vendor name with the most current PO first. The department separates vendor POs by fiscal year. The review

team selected a sample of POs to analyze and found that many of the documents were misfiled or missing.

For Pos older than 2001-02, the Purchasing Department combines POs for each vendor in individual vendor files. The department files 2001-02 and 2002-03 POs individually and organizes them alphabetically by first letter of the vendor name. The department uses a file folder to separate all POs for all vendors for each letter of the alphabet. Clerks staple POs to their requisitions and group them by vendor name. The review team analyzed the organization within each alphabetized folder and found that there was no consistency to the order in which the department groups the documents. Clerks filed some of the POs with the most current PO first; other files had no chronological order.

Since there are not individual vendor files, the department frequently misfiles purchase orders. For example, there seems to be confusion about whether to file a PO under the first or last name of contractors or companies when the title is a first and last name. Additionally, the review team found POs for the Houston Chronicle filed under both H and C.

Purchase order and requisition documents that are filed individually and not in a vendor folder are easily separated and damaged. The file cabinet in which the POs are contained is full and the documents are filed tightly; therefore, when documents are pulled from the cabinet, some of the stapled documents become separated, and the review team found it difficult to locate documentation.

The Purchasing Department processes large quantities of support documents that must be well organized and easy to access. State requirements for purchasing and the risk of abuse demand that institutions keep records of many day-to-day transactions for years. The paper support demands of a purchasing department necessitate a filing system that is well organized. Such a filing system can help a department run smoothly and save time.

Recommendation 62:

Reorganize the Purchasing Department file room so that all purchase orders are organized by vendor in a combined file.

The vendor files for 2001-02 and 2002-03 should be organized in the manner the files are for 2000-01. Each vendor should have an individual file that contains all the requisition and purchase order documentation for that vendor during a specific year.

The Purchasing Department should divide and assign file room reorganization duties to each staff member. The executive director of Purchasing should delegate a group of vendors for each employee to reorganize. The department should set a scheduled timeframe for the assigned work to be completed by each employee.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The executive director of Purchasing develops a plan to reorganize the file room.	July 2003
2.	The executive director of Purchasing assigns employees groups of vendor files that will be their responsibility to complete.	August 2003
3.	The staff members complete reorganization of the Purchasing Department file room.	September 2003

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

HCCS does not adequately monitor departmental credit card purchases. The system has a credit card policy, but there are instances where employees have acquired unauthorized cards and HCCS did not enforce its penalties.

The executive director of Business Affairs monitors the credit cards that HCCS issues to its employees. HCCS has issued an American Express Corporate credit card to the chancellor, the president at each college and all vice chancellors. These employees are to use the credit card for allowable business travel expenses and goods or services incurred in the conduct of authorized HCCS business activities. HCCS does not document allowable business activities in the credit card policy.

In addition, several departments such as Mail Services and the HCCS Police Department have use of a gas credit card. Mail Services and the police drivers do not issue a card to each driver. Each department head keeps possession of the gas credit card and issues it when needed for fuel purchases. HCCS policy states that employees can use gas cards for expenses in the normal upkeep of HCCS vehicles. The allowable expenses include gas, oil changes, flat repairs, lubricants, car washes and emergency parts. **Exhibit 7-13** outlines the number of credit cards and designated personnel authorized by HCCS policy during 2002-03.

Exhibit 7-13
HCCS Credit Card Assignments
2002-03

Credit Card Holder	Quantity	Type	Purpose
Chancellor	2	American Express Exxon	Travel expenses, reservations
Vice Chancellors	4	American Express	Travel expenses, reservations
Presidents	5	American Express	Travel expenses, reservations
Administrative Assistant, Board Services	1	American Express	Travel arrangements for board
Police Department Secretary	7 1	Chevron Exxon	Patrol cars - fuel and repairs
Mail Center Manager	1	Chevron	Mail trucks - fuel and repairs
Records Retention Manager	1	Exxon	Records off-site
Executive Director of Facilities	2	Chevron	Maintenance vehicles - fuel and repairs
Director of Library Support Services	1	Chevron	Van delivering library books and videos to all colleges - fuel
Chairman of Biology Department, Southwest College	1	Chevron	Van delivering biology supplies, fuel and repairs
Lab Assistant, Northeast and Southeast College	1	Chevron	Van delivering science equipment, supplies chemicals - fuel and repairs
Department Chair of Diesel Mechanics	1	Chevron	Trucks - fuel and repairs
Director of Safety Loss Control	1	Chevron	Vehicle used to travel to incident sites - fuel
HCC-TV General Manager	1	Chevron	Camera/reporter van - fuel and repairs
Administrative Assistant Auto Mechanic Automotive/RV	1	Chevron	Test and lab engines used in student projects and vehicles that deliver instructional parts

			for the auto mechanics program - fuel
Director of Telecommunications and Systems Support	1	Chevron	Technical support vehicle traveling to all colleges and system - fuel and repairs
Unassigned	19	Chevron	Not issued - Business Affairs Department possesses
Total	**51**		

Source: HCCS Executive Director of Business Affairs and Purchasing Department, December 2002.

The credit card companies mail their invoices to the secretary for the executive director of Business Affairs. The secretary then sends the invoice to each department head or administrator with the appropriate purchases marked. The department head or administrator must return receipts for each indicated value.

Although the review team did not identify fraudulent purchases with these cards, there is no method or control in place to monitor the card activity. In addition, HCCS does not have a stated penalty for acquiring and using unauthorized credit cards. The absence of controls and the lack of penalties for not adhering to documented policies leave HCCS vulnerable to serious fraudulent activities.

HCCS is piloting a procurement card. There will be strict limitations on what can be purchased with this card, and the system will limit purchases to $200 per use and an aggregate of $1,500 per month. The procurement card will be similar to a credit card; however, procurement cards have internal controls in place that provide limitations on certain types and specific amounts of purchases. Procurement card purchases are also automatically entered in HCCS's financial system; this prevents cards from being used without authorization due to the electronic monitoring capabilities.

Austin Community College (ACC) implemented a procurement card program to streamline the purchasing process and develop monitoring controls on purchase abuse. As a result of internal controls available with the procurement card program, ACC terminated an employee for repeated purchases of personal items. Credit card purchases are not easily monitored and do not have the controls in place that a procurement card can provide.

Recommendation 63:

Eliminate all use of credit cards and ensure that procurement cards are subject to appropriate administrative and internal controls and strict penalties for misuse are enforced.

HCCS should eliminate all credit cards when it starts using procurement cards. In addition, the system should immediately create a policy regarding unauthorized procurement card purchases that states the penalties for misuse.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The vice chancellor for Finance and Administration and the executive director of Business Affairs identify unauthorized credit cards.	July 2003
2.	The vice chancellor for Finance and Administration and the executive director of Business Affairs confiscate and cancel all unauthorized credit cards.	July 2003
3.	The executive director of Business Affairs creates a policy for penalizing future unauthorized credit card purchases.	July 2003
4.	The Board of Trustees approves the policy to be implemented beginning September 2003.	August 2003
5.	The vice chancellor for Finance and Administration monitors the unauthorized use of credit cards and adherence to penalty regulations each month with the assistance of the executive director of Business Affairs and the executive director of Purchasing.	August 2003 - August 2004
6.	The vice chancellor for Finance and Administration ensures that all credit cards are voided at implementation of procurement card use.	March 2004

FISCAL IMPACT

American Express assesses a $65 annual charge for each of the 12 cards that HCCS maintains. The annual savings resulting from this recommendation total $780 ($65 x 12 cards). Since American Express assesses its credit card fees in January of each year, the fees for 2003-04 will be incurred by the time this recommendation is implemented; the savings from this recommendation will begin in 2004-05.

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08

Eliminate all use of credit cards and ensure that procurement cards are subject to appropriate administrative and internal controls and strict penalties for misuse are enforced.	$0	$780	$780	$780	$780

Chapter 7
PURCHASING, RECEIVING AND CONTRACTED SERVICES

C. Operation and Bidding Practices (Part 1)

The Purchasing Department's goal is "to promote the best interests of HCCS and the people it serves through intelligent action and fair dealing which will result in minimizing cost and obtaining the maximum projected value for each dollar of expenditure." The primary functions of the department include:

- processing requisitions;
- issuing purchase orders;
- facilitating the preparation of bid specifications;
- preparing bid packages;
- receiving, tabulating and analyzing bid submissions;
- resolving problems with vendors, orders and deliveries; and
- maintaining the vendor database.

When a purchase is necessary, the initiator completes an online requisition. The department or college sends the requisition to Purchasing once the requisition has been appropriately authorized and the applicable budget has been verified to ensure funds are available for the purchase. The Purchasing Department then generates the PO. Once a purchase order has been initiated, the assigned buyer orders the item. If necessary, the buyer contacts vendors to receive the required number of quotes. If the item requires a bid, the assigned buyer works with the specification writer and the user division in need of the good or service. The specification writer prepares the bid package and is involved in the bid process until the board has selected the vendor. Once the board selects a vendor, the buyer acts as the system's liaison between the vendor and the user division.

The buyers negotiate with vendors to receive the best possible price. The buyers must develop a good relationship with the vendors to resolve any problems that arise quickly. In addition, the buyers are communicating directly with the user divisions to keep them informed as to the status of their orders.
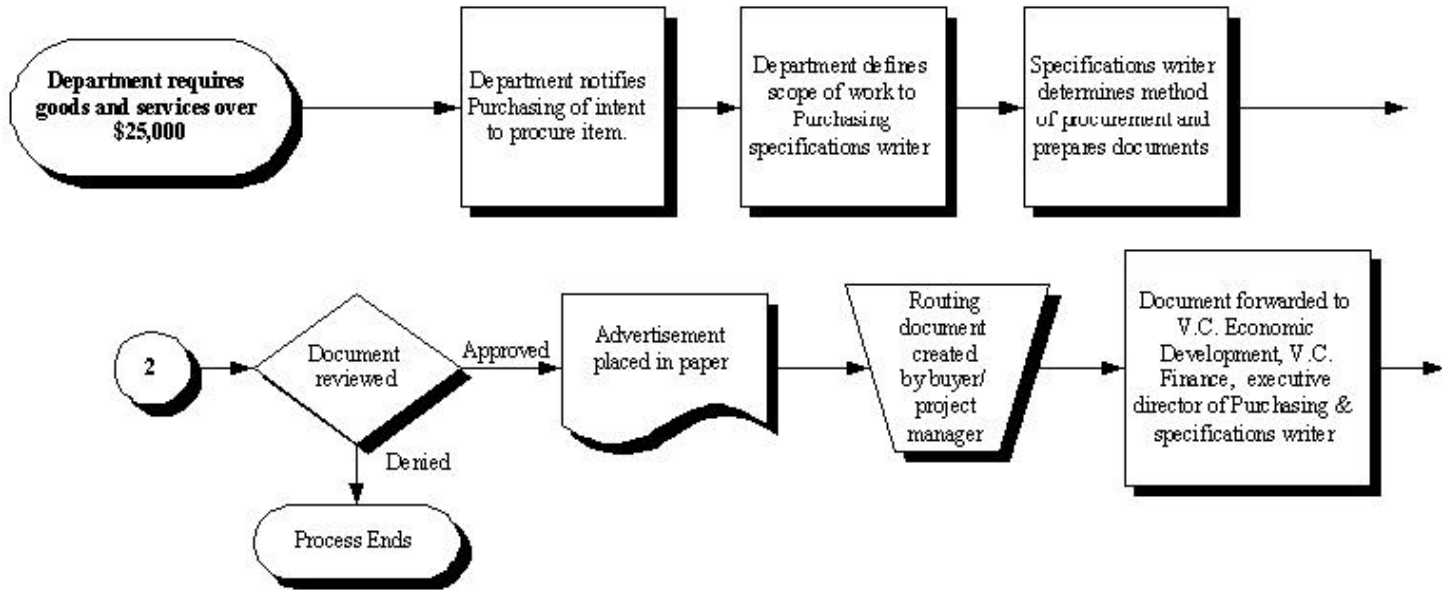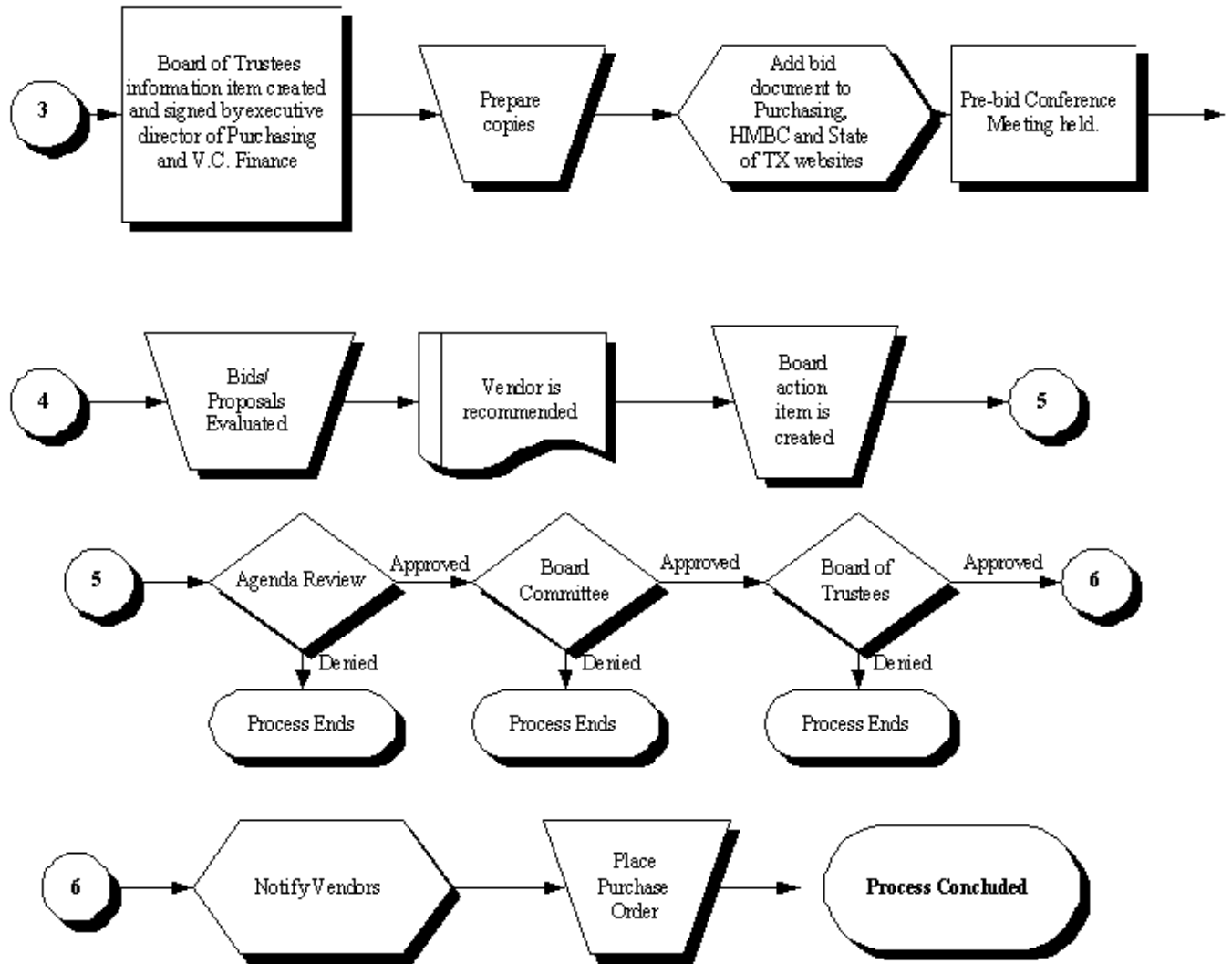
FINDING

HCCS created a specifications writer position in the summer of 2002 to increase the efficiency of the bidding process. This position prepares the Requests for Proposal (RFP) and the Requests for Quotation (RFQ) for the system. The specifications writer has developed a template that can be used as a starting point for every RFP and RFQ that he prepares.

Departments contact the specifications writer when they need to initiate a purchase of $25,000 or more. Together with the department, the specifications writer puts together a procurement plan. The procurement plan establishes milestones and a timeline. Once he develops the specifications and timeline, the specifications writer prepares the RFP or RFQ. In addition, the specifications writer supervises any necessary pre-bid conferences. The pre-bid conferences allow the vendors to address any questions and determine their level of interest early in the process. The specifications writer provides a

strong knowledge of the purchasing requirements and guidelines and understands the specific requirements of each proposal since he assisted in the development of the specifications with the end user. In addition, the specifications writer reviews, trains and assists buyers in developing bid solicitations to ensure that the scope of work ties to the contract documentation. **Exhibit 7-14** illustrates the competitive bid process at HCCS.

Exhibit 7-14
HCCS Purchasing Department
Competitive Bid Process
2002

Board of Trustees information item created and signed by executive director of Purchasing and V.C. Finance → Prepare copies → Add bid document to Purchasing, HMBC and State of TX websites → Pre-bid Conference Meeting held.

(3)

Bids/ Proposals Evaluated → Vendor is recommended → Board action item is created → (5)

(4)

(5) → Agenda Review — Approved → Board Committee — Approved → Board of Trustees — Approved → (6)

Agenda Review — Denied → Process Ends

Board Committee — Denied → Process Ends

Board of Trustees — Denied → Process Ends

(6) → Notify Vendors → Place Purchase Order → **Process Concluded**

Source: HCCS Purchasing Department.

COMMENDATION

The newly created specifications writer position effectively combines adherence to purchasing guidelines with a thorough knowledge of the unique requirements of each bid.

FINDING

HCCS buyers do not effectively monitor aggregate purchases by commodity code and thereby risk violating statutory purchasing dollar limits. The commodity code is a number assigned to identify classes of goods and services. It allows the grouping of like items and assists in automating the purchasing process. The National Institute of Governmental Purchasing (NIGP)-a non-profit educational organization dedicated to helping government agencies manage tax dollars-assigns commodity codes. TEC guidelines require bids be in place for purchases of a commodity that will total $25,000 or more in any one fiscal year. For example, the system will purchase more than $25,000 worth of office supplies,

commodity code 620, throughout the year and therefore bids out office supplies and purchases office supplies from the vendor it awarded the bid. Institutions can readily identify additional bid requirements when they monitor purchases by the commodity code.

During its reorganization in June 2001, the Purchasing Department assigned specific buyers to track purchases of certain commodities. These commodities included furniture, computer peripherals, cellular telephone and pager purchases. But HCCS mainly assigns purchasing responsibilities to buyers by college, system or dollar amount. Each college has at least one buyer. The college's designated buyer buys every type of item that college requires within certain dollar amounts. When several buyers are responsible for global purchases, there is no opportunity to develop specific product expertise. This structure also makes it difficult to effectively monitor cumulative purchases. One buyer may be within the dollar limits at his or her college but the system could have exceeded the limits.

Periodically, the Purchasing Department manually reviews purchases to verify compliance with the $25,000 threshold. During that review, the department notes purchases that exceed the aggregate threshold and prepares a request for bid. The manual review is time consuming and is not performed on a regular basis. By the time the department completes the review, the problem has already occurred and HCCS has to react. Ideally, HCCS should have a viable solution in place that would have prevented the problem. The financial management system has the capability of tracking purchases by commodity code, but HCCS is not using this capability.

Texas A&M University assigns its buyers responsibility by different commodity categories. The university's purchasing software identifies commodity codes and allows for easy tracking. The buyers are responsible for purchasing their assigned commodities throughout the university system. They ensure that any non-bid purchases do not exceed the $25,000 aggregate limit. The university prepares a bid when the purchases of a commodity approach $25,000. In addition, every department within the university system knows who their contact is when they need a specific item purchased. The buyers have acquired the necessary expertise related to their particular types of goods or services, developed relationships with the available vendors and have an understanding of an acceptable pricing structure for the item.

Recommendation 64:

Create a commodity code data element in the financial management system and assign buyers to specific commodities to ensure compliance with statutory purchasing limits.

By setting up a commodity code data item, HCCS can track each purchase by commodity code. The Purchasing Department can monitor cumulative purchases regularly. The department should develop a query that reports the total dollar amount spent, the vendor name and the commodity code. HCCS should assign its buyers by commodity type and give them the responsibility to ensure the commodities they purchase do not exceed the $25,000 threshold.

HCCS should then establish an internal threshold that puts an item not currently purchased out for bid. When the system has reached the internal threshold, the buyer would then prepare the bid and notify all system personnel that the item is going out for bid and that any subsequent purchases prior to the bid award can only be made with the permission of the executive director of Purchasing.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The executive director of Purchasing meets with the executive director of Financial Information Systems to identify what steps are necessary to add a data element to the ERP system.	July 2003
2.	The executive director of Financial Information Systems assigns a programmer to add a data element recording the commodity type on the requisition and to develop a global query that will track total dollars spent by commodity.	July - August 2003
3.	The executive director of Purchasing assigns a commodity type to each buyer according to the new organizational structure of the department.	August 2003
4.	The executive director of Purchasing and the vice chancellor for Finance and Administration establish an internal dollar threshold that will prompt an item to be sent out for bid.	September 2003
5.	The vice chancellor for Finance and Administration prepares an agenda item to recommend the board approve the internal threshold amount.	October 2003
6.	The board approves the internal threshold amount.	October 2003
7.	The buyers query the purchasing system at the beginning of each month to flag any items that should be bid. When a buyer identifies an item, the buyer e-mails all staff that the item is going to be sent out for bid and cannot be purchased without permission until HCCS awards the bid.	November 2003 and Monthly Thereafter
8.	The executive director of Purchasing, the designated buyer and the specifications writer prepare the bid and follow the system's bid process.	Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

HCCS does not use electronic bidding opportunities, and the level of bid response to its Requests for Proposals and Requests for Quotes (RFP/RFQs) is low. The Purchasing Department is not attracting enough vendor candidates. This creates a small pool of suppliers that lacks adequate diversity.

When the institution requests bids or proposals, it advertises in the local newspaper or sends requests directly to existing vendors. In addition, HCCS posts current bid opportunities on the Purchasing Department's Web site. Advertising in the local newspaper is one of the methods described in the Texas Education Code (TEC) for soliciting RFPs; this advertising method limits responses from vendors outside the local area. Other solicitation efforts include posting with minority business papers, the State of Texas Web site and Minority Business Council's Web site URL. The executive director of Purchasing has met with e-commerce vendors to discuss online bidding opportunities. The director also has introduced the Texas Procurement Center's online auction site to the purchasing staff.

The recent RFP for miscellaneous audit services attracted only two respondents. In addition, only two vendors responded to the bid for plumbing services. The executive director of Purchasing stated that this has been a problem with a number of the system's RFPs and RFQs. The lack of bid responses limits HCCS's choices in vendor selection and the result is lower quality goods and services.

Several companies provide electronic bidding services that allow institutions to advertise bids to a broader market. Vendors typically pay a nominal annual fee to participate in the service and there is no cost to buyers. The bidding services provide automated vendor lists categorized by the specific commodity or service they offer. The services automatically notify the subscribing businesses by e-mail or fax when a bid for their specific services is issued. Vendors can respond electronically to the buyer. The service manages the distribution and reporting of RFPs, bids and quotes. Many services also provide access to bid libraries that provide assistance for developing bid specifications. **Exhibit 7-15** lists three examples of electronic bidding services.

Exhibit 7-15
Examples of Electronic Bidding Services

Electronic Bidding Service	Web site
Onvia - a customized daily bulletin that delivers bid notices, RFQs and contracting opportunities	<www.onvia.com/>
BidNet - alerts vendors to state and local government bids from thousands of agencies nationwide, providing full bid documents to view and print.	<www.bidnet.com/>
Texas Procurement Center - buyers can post RFQs and bids by category; suppliers can bid online and view all RFQ postings and bid invitations in their registered category.	<www.texasprocurementcenter.com/>

Source: BidNet, Onvia and Texas Procurement Center Web sites, 2003.

Many governmental purchasing departments take advantage of these electronic competitive bid services. The services help government agencies find suppliers online and help businesses secure government contracts. Bidding services can provide institutions with a larger and more diverse pool of suppliers. The increased competition drives costs down and reduces marketing and administrative expenses. The size and strength of the network allows suppliers and institutions to find better matches quickly, saving time and money for both parties.

Recommendation 65:

Implement an electronic bidding system to identify additional vendors for bids and proposals.

HCCS should join an electronic bidding service to help streamline the bidding process. This will reduce the Purchasing Department's staffing needs. Electronic bidding will allow greater efficiency in the Purchasing Department at no additional cost.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The specifications writer contacts electronic bidding services and schedules demonstrations.	July 2003
2.	The executive director of Purchasing and the specifications writer view the bidding system demonstrations and evaluate each system.	August 2003
3.	The executive director of Purchasing and the specifications writer select a bidding service.	August 2003
4.	The specifications writer submits the required information to begin electronic bidding services.	September 2003
5.	The executive director of Purchasing notifies all current HCCS vendors of the electronic bidding features.	October 2003
6.	The executive director of Purchasing presents information about the electronic bidding system to buyers in a weekly staff meeting.	October 2003
7.	The Purchasing Department begins using the electronic bidding system.	November 2003

FISCAL IMPACT

Electronic bidding services are estimated to cost $455 annually.

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08
Implement an electronic bidding system to identify additional vendors for bids and proposals.	($455)	($455)	($455)	($455)	($455)

Chapter 7
PURCHASING, RECEIVING AND CONTRACTED SERVICES

C. Operation and Bidding Practices (Part 2)

FINDING

HCCS does not effectively evaluate the quality of its vendors. In order to become an approved vendor for HCCS, a vendor must complete a vendor application. HCCS adds vendors to its approved vendor list after vendors complete and return the application. The system has not established any criteria that prospective vendors must meet. There are 14,038 approved vendors in the HCCS's financial management system database. The database is large and does not provide the buyers with any information on the quality of the vendors' services or products. **Exhibit 7-16** presents the total number of approved vendors at the end of each fiscal year between 2000-01 and November 8, 2002 and examines the percentage of the total number of approved vendors who provided products each year. In 2001-02, HCCS used 42.9 percent of its approved vendors to purchase goods and services. The number of approved vendors increased 30.5 percent in 2001-02 and 3.6 percent in the first two months of fiscal year 2002-03.

Exhibit 7-16
Vendor Use Summary
2000-01 through 2002-03

Year	Number of Active Vendors in System	Number of Vendors with Orders	Percentage of Total
2000-01	10,379	5,656	54.5%
2001-02	13,544	5,814	42.9%
2002-03*	14,038	1,904	13.6%

Source: HCCS PeopleSoft Report, November 2002.
*Purchases through November 8, 2002.

Only the Purchasing Department can add a new vendor to the financial management system. However, HCCS requires that every vendor complete a vendor application in order to be included in the database. HCCS does not remove vendors from the database regardless of when the

system used the vendor last or of the quality of the vendor's service. By leaving vendors active in the database indefinitely, the system cannot effectively control which vendors are used. If the system has had a problem with a vendor or has found an item for a better price from another vendor, it is still possible for a buyer to select the less-favorable vendor since there is nothing to distinguish it from the more reliable, higher-quality vendors.

The Purchasing Department is creating and revising an additional vendor list using a spreadsheet. The department provided the review team with a paper copy of the list, updated through September 13, 2002. The list contains 1,415 vendors. The spreadsheet does not contain any evaluation criteria.

A vendor evaluation process is critical to effective vendor and contract management. Without an effective vendor management program, the system has no means to evaluate vendor performance. As a result, it is difficult to establish reliable supplier networks that regularly meet the expectations of the end users. Elements of an effective vendor evaluation program include:

- annual vendor satisfaction surveys based on price, quality, delivery and service;
- a scoring system to rate and rank vendors based on evaluation criteria;
- vendor recognition awards, programs and events (for example, vendor of the year, most responsive vendor and best service provider);
- adaptation of the vendor evaluation program to both internal and external suppliers of goods and services to ensure that the institution is using the best source;
- an information database on vendor performance, service and quality;
- a bid calendar showing projected bid renewal dates for commodities provided by specific vendors;
- performance measures and thresholds, such as merchandise return rate, on time delivery rate, quantity reliability, vendor response time and frequency of price increases;
- continuous monitoring and evaluation of long-term contract performance; and
- monitoring and tracking the use of Historically Underutilized Businesses.

Recommendation 66:

Purge the vendor list annually and establish a vendor evaluation process.

The Purchasing Department should purge the approved vendor list during its year-end closing process. The criteria for purging a vendor should include:

- any vendor that HCCS has not used in two successive fiscal years;
- any vendor that has provided less than $500 worth of goods and services; and
- any vendor that did not provide an acceptable level of quality.

This will make the vendor database easier to manage and will ensure that only the highest quality vendors do business with HCCS.

HCCS should collect information from the colleges and departments regarding vendor performance. The buyers should review the responses and eliminate unreliable and ineffective vendors from the vendor database. HCCS should use this information to develop a comprehensive vendor evaluation program. In addition, the Purchasing Department should create a means for its customers to report any vendor providing sub-par performance and products throughout the year. The Purchasing Department should work with the Information Technology Department to create a data element in the purchasing system that can track vendor rankings. Any vendor ranking of unacceptable should automatically remove a vendor from the list. **Exhibit 7-17** presents a sample vendor evaluation form HCCS can use as a guideline for the development of its vendor evaluation form.

Exhibit 7-17
Sample Vendor Evaluation Form

Vendor Name:	
Vendor Number:	
Date:	
Buyer:	
Vendor Rating:	

PURCHASING			
Criteria	Yes	No	Comments
Provides cost-saving alternatives			
Offers competitive pricing			
Backorders are held to a minimum			
Supplies current catalogs			
Provides prompt and accurate technical assistance			
Knowledgeable about product line			
Provides status of orders			
Apprises system of any potential delays or problems			
Promptly replaces any rejected items			
Is courteous and helpful			
Interested in maintaining account and relationship			
Provides quality products			
Addresses complaints within a reasonable time			
Maintains up-to-date inventory and stock			
Provides notice of any special offers or promotions			

RECEIVING			
Criteria	Yes	No	Comments
Delivers goods and/or services on time			
Consistently delivers product in good condition			
Packages products to restrict damage in transit			
Contents are readily identified			
Provides accurate delivery receipts			
Provides courteous service			
Packs a shipment list with delivery			
Provides proper credit for items not received or rejected			
Ensures quantity delivered matches quantity ordered			
Strives to provide cost savings			

Source: Gibson Consulting Group, Inc., December 2002.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The executive director of Purchasing establishes the criteria for purging vendors from the financial management system and trains buyers to use the new criteria.	July 2003
2.	The director of Purchasing assigns a committee of buyers to create a vendor evaluation form.	July 2003
3.	The executive director of Purchasing meets with the executive director of Financial Information Systems to determine what steps are necessary to add a vendor rating data element to the purchasing system and program a toggle function that inactivates a vendor when the Purchasing Department assigns an unacceptable ranking.	July 2003

4.	The Purchasing Department conducts a vendor survey throughout the system.	August - September 2003
5.	The executive director of Financial Information Systems assigns a programmer to make the necessary programming changes to allow buyers to rank vendors in the purchasing system.	August - October 2003
6.	The executive director of Purchasing includes the purging procedures in the year-end closing process.	September 2003 and Annually Thereafter
7.	The Purchasing Department revises its departmental Web page to allow customers to lodge vendor complaints and to notify an assigned Purchasing Department staff member within 24 hours when a complaint is received.	October - December 2003 and Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

HCCS' methods for awarding design contracts are not clear and the system does not consistently apply them during the qualifications process. A design contract is an agreement between an institution and a private architectural engineering company to provide design services for the construction of a new facility. The system does not have or use a clear, documented process for awarding Architectural/Engineering/Construction (A/E/C) contracts. HCCS typically issues an RFQ for each construction project. HCCS then evaluates the submissions using a scoring system that appears to be standard. But in practice, HCCS does not consistently review the submissions for A/E/C contracts.

HCCS uses its scoring system to identify a short list of firms to interview for each construction project. This short list usually has five or six firms. The system appoints a review committee of purchasing personnel and HCCS employees with expertise about the project. Committee members include staff such as the HCCS buyer designated to the project, the specifications writer or a senior buyer and a staff member from the department requesting the purchase. The committee conducts interviews, observes firm presentations and recommends a selection to the board. The board then decides which vendor to select. The board does not always select the recommended or highest-scoring firm. The board's interviews with the firms often last only five minutes; interviews of this type rarely

reveal significant information that the firm did not already provide in its qualifications submission.

The result of this overall procedure is that HCCS awards projects to firms that score low on the qualifications submission. As an example, HCCS awarded a recent project to the fifth-highest scoring team. **Exhibit 7-18** shows the committee scorecard for the project.

Exhibit 7-18
Scoring of Architectural/Engineering/Construction Qualifications
November 2002

A/E/C Firm	Evaluator						Total	Rank
	#1	**#2**	**#3**	**#4**	**#5**	**#6**		
Firm 1	500	460	495	405	440	495	2,795	1
Firm 2	445	455	490	370	420	490	2,670	2
Firm 3	455	445	479	380	385	465	2,609	3
Firm 4	410	465	430	375	390	460	2,530	4
Firm 5 - Awarded Contract	**410**	**400**	**440**	**370**	**370**	**440**	**2,430**	**5**
Firm 6	305	385	400	280	270	460	2,100	6
Firm 7	305	380	330	305	310	415	2,045	7
Firm 8	235	365	280	340	340	460	2,020	8
Firm 9	325	325	365	255	290	370	1,930	9
Firm 10	275	315	310	280	235	340	1,755	10
Firm 11	140	300	215	265	240	220	1,380	11

Source: Purchasing Department, November 2002.

Many facilities organizations use standardized and rigorous methods to ensure selection of well-qualified A/E/C firms. For its recent bond program of about 80 projects, Houston ISD used a single RFQ to identify a pool of firms. During the program, Houston ISD assigned the individual projects to firms based on project type and firm workload. Other colleges use a published scoring method for both qualifications and interviews and publish scores (by individual evaluator) immediately following each step of the evaluation process.

Recommendation 67:

Develop and adopt Architectural/Engineering/Construction selection procedures that reinforce selection of the most qualified firms.

HCCS should develop, document and publish a formalized procedure for awarding of design contracts. The standardized procedure should include a scoring methodology and guidelines for interpreting individual criteria. The procedures should follow national trends that focus on qualifications, expertise, quality of work and design innovation, while minimizing cost-based criteria. A committee that is semi-independent of construction management should make the selection of design firms to recommend to the Board of Trustees. The board should either accept or reject the firm recommended by the staff and provide objective and fully documented justification for a rejection. The committee should include members from the following departments:

- Purchasing;
- Risk Management;
- Maintenance and Custodial;
- Budget; and
- Curriculum.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The director of Construction Project Management, with input from the vice chancellor for Finance and Administration, establishes a committee for developing procedures.	July 2003
2.	The director of Construction Project Management and the procedure committee research successful qualifications procedures and state-approved selection methodologies, then draft policy and procedures for A/E/C selection.	August 2003
3.	The vice chancellor for Finance and Administration presents the policy to the Board of Trustees.	September 2003
4.	The board adopts the policy and the director of Construction Project Management implements policy and procedures.	October 2003

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

There is no consistency in the system's bid files. Although there were instances when all the required information was present, there were a number of bid files sampled by the review team that did not contain the

necessary documentation. Bid files should contain tally sheets, a copy of the advertisement, a listing of the vendors bidding and the original RFP or RFQ. In addition, there were examples of bids where the Purchasing Department made a specific recommendation to the board based on the most competitive price and the board overruled the committee's recommendation. The bid file did not provide a reason to explain why the board did not accept the committee's recommendation. The bid file is the system's only record of what occurred during the bid process. These documents are invaluable, as they provide evidence that the system followed the proper bidding procedures. Missing documents expose the system to the perception that some wrongdoing occurred.

In its procedure manual, the Federal Transit Agency (FTA) explains why it considers maintaining comprehensive and complete bid files to be a critical practice. A properly documented bid file provides an audit trail from the initiation of the request for bid to the beginning of the bid contract. It provides a complete background as a basis for informed decisions at each step in the process. A well-documented file also supports actions taken, provides information for reviews and investigations and furnishes essential facts in the event of litigation or legislative inquiries. Documents recording the key steps in the bidding process are important for a number of reasons:

- they represent legally and financially significant actions on behalf of the system using public dollars that may need to be readily retrievable;
- the key steps in a procurement requiring a bid are frequently material elements in financial determinations or legal disputes. Written proof of the facts will have great value in those circumstances; and
- bidding processes are subject to review, will probably be audited and are likely at some time to be the subject of in-depth investigations.

FTA completes a document checklist for every bid file. This checklist ensures that the bid file contains all required documentation. If a document is missing from the bid file, the file clerk makes a notation on the checklist that explains why the document is not present.

Recommendation 68:

Create a document checklist and place it in every bid file.

A checklist will ensure that the system has the proper bid documentation in place. The bid file provides the history of a public procurement. Many hours of reconstructing events and decisions, stretching memories and

evaluating scenarios can be saved with a concise file that convincingly disposes of the questions typically raised. The checklist should include the following items:

- request for bids or proposals, acquisition planning information and other pre-solicitation documents;
- copies of all formal advertising;
- list of vendors that HCCS solicited;
- list of selection committee members;
- a statement of work and scope of services, if applicable;
- an abstract of each bid or quote;
- source selection documentation, if applicable;
- determination that the selected price is fair and reasonable including an analysis of the cost and price data;
- a tally sheet or ranking of bids;
- an action item to the board with recommendation;
- board minutes with the approval of the award:
- a notice of award,
- a notice to unsuccessful bidders;
- a record of any protest, if applicable; and
- required insurance documents, if applicable.

The checklist should contain an explanation of all missing items. There will be instances in which all items will not apply to a particular bid. However, there should be a statement in the file that acknowledges that HCCS considered every item.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The executive director of Purchasing drafts a documentation checklist to place in every bid package.	August 2003
2.	The vice chancellor for Finance and Administration approves the checklist and implements an administrative policy that all bid files contain a documentation checklist.	September 2003

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

HCCS is not using the full capacity of the financial management system to automate procurement. At the time of the review team's site visit, the purchasing module of the financial management system did not include a workflow process specifying the tasks or processes necessary to execute

an effective and timely purchasing module. Although the end user can add requisitions, the Purchasing Department cannot generate a purchase order until the buyer has received a paper copy of the requisition with the authorized signatures. Departments or colleges must fax, mail or hand deliver the paper copy of the requisition to Purchasing. By requiring a signed paper copy of the requisition, HCCS cannot take advantage of the efficiencies that automating the requisition form could provide.

The business analyst for the financial management system and the executive director of Financial Information Management Systems in the Information Technology Department published an ERP System Business Processes and Activities Plan. The document included a plan to develop a workflow for purchasing and a scheduled implementation of the electronic authorization of purchase requisitions for August 2001. This process should allow on-line authorization and streamline the overall process. Most automated purchasing modules have a workflow process in place before the system goes live. This did not occur at HCCS and has limited the efficiency of the automated system for the entire time HCCS has been using the financial management system. HCCS told the review team that the workflow capability would be available by December 2002. However, HCCS still had not developed the module in January 2003.

There have been complaints from various end-users throughout the institution about the lengthy purchase approval process at HCCS. End-users also note the high frequency of hard copies of requisitions that are lost before reaching the Purchasing Department. **Exhibit 7-19** lists a few examples of end-user comments about the purchasing process.

Exhibit 7-19
Results from Surveys with Institution Staff
2002-03

Survey and Public Forum Comments
- The purchasing procedure needs to be streamlined and the system should require fewer signatures to approve a purchase.   - Too much red tape.   - When our campus had to order a new copier, it seems that there was an excessive amount of time between the recognition of the problem by staff and the implementation of the request for and installation of the new equipment.   - Middle management slows down routine purchases. Often times, it takes two months to order supplies and materials.   - Speed up the approval process!   - Is it really necessary to have so many signatures?   - HCCS needs to develop a faster processing system for ordering supplies.

- By the time the technology procurements are approved, they're old technology!
- Getting approval for procurements is a problem. The Purchasing Department needs to process them in a timely manner.
- The purchasing process is too long! There needs to be a more streamlined approach and better use of technology.
- Purchasing is slowly improving its processes, but it is still cumbersome, slow and unclear for the average person in the field who must navigate through all the forms and paperwork.

Source: TSPR Faculty, Staff and Administrator Survey Results and Public Forum Comments, October 2002.

Alamo Community College District (ACCD) has a computerized system that electronically transmits approved purchase requisitions from user divisions to the purchasing buyers. Purchase requisitions have three steps to be processed, including a requisition entry and two levels of authorization. All steps have a control in place to ensure electronic authorizations are legitimate. Individuals must enter assigned passwords in order to enter an electronic requisition. The purchasing system then requires two levels of authorization before it will complete a PO. The first level of authorization belongs to the user division or requesting employee; the second level belongs to a dean or vice president. Personnel with second-level authority may approve a requisition without the first level of authorization. This control prevents abuses and is also an effective means for avoiding delays if one of the levels of authority is unavailable. An additional control prevents the same individual, regardless of authority level, from entering and approving the same requisition. The system requires two different users to be involved in the requisition process. The purchasing system electronically transmits the approved requisition to the purchasing department to be processed into a purchase order.

Recommendation 69:

Complete the plan to implement the financial management system's electronic purchase authorization capability.

HCCS should revise the plan to implement the module for purchasing. This capability will eliminate redundancy. In addition, electronic transmission of approved purchase requisitions will decrease the chance that paper forms that are lost and make purchasing more efficient.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The executive director of Financial Information Management Systems updates the financial management system Businesses and Processes Implementation Plan to implement a workflow process for electronic requisitioning.	July 2003
2.	The executive director of Financial Information Management Systems assigns the production of the workflow process to the financial management system's business analyst.	July 2003
3.	The business analyst prepares a detailed, updated plan for implementing the workflow process.	August 2003

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 7
PURCHASING, RECEIVING AND CONTRACTED SERVICES

D. Management and Oversight

For procurement to be effective in any organization, the organization must closely monitor and track the department. There must be procedures in place to ensure that the system cannot be easily bypassed. It should be extremely difficult to purchase any item or service without following the system's purchasing policies and procedures. Institutions should make sure that all exceptions are well documented and properly authorized. Institutions should have an effective accountability policy in place and strictly enforce that policy. All end users should understand how far their authority extends and that the institution will not tolerate noncompliance.

FINDING

HCCS does not train its staff to properly complete the requisition form. When a staff member initiates a purchase requisition, the staff member needs to assign the correct account code to the purchase. The account code classifies the item as a capital asset or a consumable item. Capital assets-like office furniture, computer hardware or vehicles-have a useful life longer than one year. Consumable items-like office supplies-will be completely used within one year.

HCCS staff commonly assigns the wrong account codes to their purchase requisitions. The review team sampled a number of requisitions and found examples of consumable items that had been classified as capital assets. For example, HCCS staff identified a newspaper advertisement as a capital asset. This particular example went through each stage of the purchasing process. The account coding was incorrect on the requisition, the purchase order and the receipt. If Asset Management staff had not found the error, HCCS would have included this item in the system's fixed asset listing in the general ledger. Asset Management staff must query the system each week to ensure new purchases have been coded properly. Asset Management must correct any mistakes or the accounting system will erroneously report consumable purchases to the system's fixed assets. This is an inefficient use of the system's resources.

Technology streamlines processes and automates routine tasks to increase an organization's efficiency. However, if there are no controls on the quality of data entry, the organization loses the efficiencies. In addition, the quality of the management information that the system generates becomes suspect and the organization cannot rely on the information to

make quality decisions. An effective organization understands this and instills in its personnel the importance of quality data. The individual keying in the data is as important in the process as the manager who depends on the information to assist in critical decisions on behalf of the organization. It is important that each individual understand that he or she plays a part in an ongoing process. If a staff member neglects one step, the entire process fails. Education must start at the beginning of the process and continue throughout.

Recommendation 70:

Train appropriate clerical staff to complete requisition forms and to assign the proper account code to the requisition.

The requisition is the beginning of the purchasing process; it also plays an important part in ensuring that the system's fixed asset listing is correct. The Purchasing Department should develop training material that it can distribute to all HCCS staff responsible for generating a requisition order. The material should provide a clear and concise explanation of each asset category. The Purchasing Department should produce the training material in a format that staff members can keep as a reference document.

As an additional training program, the Purchasing Department should provide a systemwide lunchtime training session where the Asset Management staff can explain what data it requires and how the information in the requisitions is used. This will build a team approach to improving data entry.

Finally, the buyers should ensure that the account code is correct when reviewing the requisition for accuracy. If there is an error in the account code, the buyer should correct it prior to generating the purchase order and notify the originator of the problem. If the problem continues to occur, additional training may be necessary.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The executive director of Purchasing and an assigned buyer develop a training document that explains HCCS' different asset classes.	July 2003
2.	The vice chancellor for Finance and Administration approves the training document.	August 2003
3.	The Purchasing Department distributes the training document to all departments in the system.	September 2003
4.	The executive director of Purchasing schedules a lunchtime	September

	training session that addresses account coding.	2003
5.	The executive director of Purchasing develops administrative procedures that require buyers to verify account codes before generating a purchase order.	October 2003

FISCAL IMPACT

This recommendation can be implemented using existing resources.

FINDING

The system does not have adequate controls in place for its open blanket purchase orders. An open blanket purchase order is an open purchase order between HCCS and a single vendor to provide multiple purchases under a single purchase order number. HCCS implemented blanket purchase

orders in 2002-03 to address instances when the system purchases products or services from a vendor on an ongoing basis. The system's policy regarding open blanket purchase orders states:

Open Blanket Purchase Orders: This type of purchase order shall be issued for the following: to support the requirements of maintenance, repair, operational services, film development, office supplies and other purchases of a repetitive nature, or when an exact dollar amount is unknown. Blanket purchase orders will be issued to authorized contracted suppliers, no single amount item to exceed $700. Requestors can order goods and services utilizing the open order. Prices and terms for completion of work must be approved prior to the rendering of services. Requestors must submit applicable delivery documents to the Accounts Payable Department. It is the requesting department's responsibility to monitor purchases and maintenance of open blanket purchase orders.

Once HCCS creates a blanket purchase order, the Purchasing Department no longer monitors the purchasing activity. There is no procedure in place to ensure that staff is using open blanket purchase orders. A purchase order is a legal contract document obligating the organization to purchase stated goods or services. A blanket purchase order is no different. All purchases made on a blanket purchase order must comply with the state purchasing guidelines. HCCS has no means of ensuring compliance with state guidelines.

HCCS does not set up its blanket purchase orders with separate lines for each item. This makes the receiving and invoice payment process different than for a traditional purchase order. HCCS procedures do not specify how

the system will receive and pay for items it purchases on a blanket purchase order. The accuracy of payments to companies with blanket purchase orders becomes highly dependent on the diligence of the department placing the orders. The Purchasing Department has not provided departments with any guidelines ensuring the process moves smoothly.

The buyer assigned to processing blanket purchase orders does not review them to ensure the purchases stay within the authorized amount. The system's failure to control blanket purchase orders grants poorly controlled authorization to incur expenditures on behalf of the system. System personnel cannot effectively demonstrate that HCCS obtains purchases at the lowest cost to the system consistent with acceptable quality and performance criteria.

Glendale Community College (GCC) implemented detailed procedures for all purchases it makes on a blanket order. The college notes that blanket purchase orders are an effective way to order small commodity purchases that it buys frequently, like office or lab supplies. But purchasing management understands that it must have adequate controls. The Purchasing Department has put the blanket purchase order processes on its Web site to assist staff and faculty in creating and managing blanket orders. The Web site discusses the following topics related to blanket purchase order procedures:

- defining a blanket purchase order;
- detailing who should use a blanket order;
- describing improper uses for blanket orders;
- creating a blanket order;
- notifying a vendor of a blanket order;
- using a blanket order with the vendor;
- determining the remaining balance on a blanket order
- receiving and blanket orders;
- invoicing for a blanket order;
- increasing a blanket order; and
- decreasing a blanket order.

The University of Wisconsin at Madison's Purchasing Services Department reviews blanket purchase orders to ensure that the university does not make illegal purchases.

The university has procedures in place to deal with any individual who engages in illegal purchasing practices. They include:

- fragmented purchase requisitions will be combined and processed using the appropriate competitive process;

- serial purchases identified by Purchasing Services will be stopped and brought to the attention of the appropriate dean/director;
- any person responsible for initiating an illegal purchase (responsibility will be determined by department/dean and/or Purchasing Services) will be held personally accountable until the transaction is resolved. Resolution options are:
  - to submit a letter signed by the individual and the dean/director, which must include:
    - a description of the goods or services purchased;
    - the circumstances which led to the illegal purchase;
    - a justification for the lack of prior Purchasing Services approval; and
    - a statement of actions taken to prevent repetition of the situation.
  - to return goods to the vendor for full credit, the individual may be required to pay restocking or other charges, if any; and
  - to pay for the goods or services personally from own funds, not from public funds.

Recommendation 71:

Revise existing procedures to monitor and control the use of blanket purchase orders and establish penalties for abuse.

There are instances when a blanket purchase order is acceptable, including payment for monthly service fees, laboratory supplies that come from specialized vendors and emergency automobile parts. HCCS uses blanket purchase orders to reduce delays and paperwork and to enhance the system's ability to procure items purchased frequently from the same vendor. This system is vulnerable to abuse because HCCS no longer controls each purchase. It is absolutely imperative that HCCS institute strict guidelines and actively enforce those guidelines. The system's current blanket purchase order procedures are not sufficient to adequately protect the system. The system should review the GCC Web site and incorporate the key elements into its own revised procedures. In addition, the procedures should indicate what actions HCCS will take if staff does not follow the procedures. HCCS staff must understand that the same constraints and limitations associated with a traditional purchase order also apply to blanket purchase orders and that HCCS will punish staff members who use a blanket purchase order to circumvent the system.

IMPLEMENTATION STRATEGIES AND TIMELINE

| 1. | The executive director of Purchasing drafts revised purchase order procedures. The procedures should include punitive | September - October |

	actions for any HCCS staff members who violate the procedures. The punishment should distinguish between violations of administrative purchasing procedures and a violation of purchasing policy.	2003
2.	The vice chancellor for Finance and Administration reviews and approves the draft procedures and punitive actions. The vice chancellor for Finance and Administrations drafts an action item to present to the board.	October 2003
3.	The vice chancellor for Finance and Administration presents the procedures and punitive actions to the board for approval.	November 2003
4.	The board approves the new procedures and punitive actions.	November 2003
5.	The executive director of Purchasing puts the new procedures on the Purchasing Department Web page. In addition, the executive director sends out a systemwide e-mail that instructs HCCS staff to read the new procedures for blanket purchase orders on the department's Web site.	December 2003

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

The Purchasing Department generates purchase orders inappropriately after the invoice date. The primary problem with preparing purchase orders after-the-fact is that an employee has circumvented controls to check the availability of resources and encumber existing funds. Secondarily, the receiving office has no way to verify it is receiving what was ordered or that the amount charged is the amount agreed upon at the time of order. HCCS cannot properly screen these transactions to ensure that budget dollars are available even though it already incurred the costs. Finally, this practice renders the policies and procedures that HCCS adopted to limit unauthorized purchases ineffective.

The review team requested a report of all purchase orders that had an earlier invoice date than a purchase order date. The Purchasing Department created these purchase orders after HCCS received the invoice. There are instances where HCCS may receive an invoice without a purchase order. For example, utility bills, lease payments and bills for contracted services can be paid without purchase orders. However, many of the purchases on the report should have been purchased through the system's requisition procedures.

Many of the purchase orders had limited descriptions that made it difficult to determine what the item was and why it was purchased outside the system's authorized purchasing procedures. For example, one description read "miscellaneous expense." About 80 percent of all the purchase orders on the after-the-fact PO report had "open or standing purchase order" in the description. There is rarely, if ever, an instance where an institution should create a purchase order after it receives an invoice. Any of the institution's purchasing control mechanisms become useless in these situations.

Exhibit 7-20 compares the number of after-the-fact transactions between 2000-01 and 2002-03. In 2000-01, HCCS spent 3.6 percent of its actual operating expenses through these after-the-fact transactions. The system spent 2.1 percent of its actual operating expenses through these transactions in 2001-02. The majority of the 2002-03 after-the-fact transactions were for miscellaneous NEO Café supplies, renewal of consulting agreement fees, waste management fees and pest control services. NEO Café is an auxiliary enterprise that operates as a café in the administration building.

Exhibit 7-20
HCCS After-the-Fact Transactions
2000-01 to 2002-03

2000-01		2001-02		*2002-03 (Year to Date)	
Number of Purchase Orders	Amount	Number of Purchase Orders	Amount	Number of Purchase Orders	Amount
678	$5,637,218	1,159	$4,618,825	291	$2,241,389

Source: HCCS PeopleSoft Report.
*Through November 7, 2002.

Colleges cannot maintain control over purchasing practices if they allow staff to circumvent the system. Controls protect the college's assets and the integrity of financial records from error or fraud. Good controls specify requirements that staff must meet before a purchase can be made. A properly approved purchase order insures that funds are available and encumbered before a purchase is made. Finally, if employees are held accountable for following policy, monitoring the actual purchasing practices and taking corrective action when necessary is critical.

Anyone buying goods without issuing a purchase order, without receiving validation of the purchase order by the Purchasing Department or entering a purchase order after the fact, must provide an explanation approved by the Purchasing director. Letters of concern and formal reprimands will be issued to violators. Continued abuses can result in further disciplinary action or termination.

Recommendation 72:

Eliminate all after-the-fact purchase orders and develop accountability measures to address staff members who violate purchasing policy.

The system should establish specific criteria for rare exceptions. The process must include appropriate approval by key administrators. The executive director should make it clear that violation of these procedures is a violation of system purchasing policy and is a punishable offense. The system should determine what actions it will take when staff or faculty circumvent the HCCS policy.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The executive director of Purchasing drafts procedures for the acceptable uses of after-the-fact purchase orders.	July 2003
2.	The vice chancellor for Finance and Administration reviews the draft procedures and makes any necessary revisions and drafts an action item to present to the board.	August - September 2003
3.	The board approves the new procedures.	September 2003
4.	The executive director of Purchasing posts the new procedures on the department's Web page and sends a systemwide e-mail explaining the specific items that meet the criteria for after-the-fact POs making it clear that a violation of these procedures is a violation of system purchasing policy and is a punishable offense.	October 2003

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

The system uses direct payments too often without effective procedures to ensure compliance with statutory purchasing guidelines. State law allows a

direct payment for instances that do not require a purchase order. To process a direct payment, HCCS staff must document each transaction on a direct payment requisition form and attach the invoice for goods or services. Board policy requires that all direct payment requisition transactions receive proper authorization and be forwarded to the Accounts Payable Department for payment. The direct pay guidelines posted on the HCCS Web site state:

Purpose: To expedite certain types of transactions that do not require the use of a purchase order. Does not circumvent the state of Texas procurement guidelines. This transaction is called a Direct Payment.

Procedure: HCCS has a responsibility to pay for authorized purchases made according to its purchasing policies and procedures approved by the Board of Trustees. Any purchase made in violation of the Board of Trustees' policies and these procedures is unauthorized and will become the responsibility of the individual placing the order. The individual placing an unauthorized order will bear the cost of the goods and services received.

To process a direct payment, each transaction must be documented on a direct payment requisition form with the invoice for goods or services attached. All direct payment requisition transactions must be authorized by the appropriate authority and forwarded to the Accounts Payable department at 3100 Main for payment.

Direct payment requisitions will be processed only for transactions meeting the following criteria as per board policies CH (Local) and CFF (Local):

- purchasing furniture, fixtures or capital equipment by the direct payment method is unacceptable;
- hotels may be paid in advance provided that check disbursement guidelines (procedures posted on Financial Operations Web Site) are followed; and
- the system reserves the right to restrict payment and execute the competitive bid process if annual purchase of products or services are $25,000 or more.

Board policy also notes when a direct payment is allowed. **Exhibit 7-21** summarizes transactions that meet the board criteria.

Exhibit 7-21
HCCS Direct Pay Criteria
2003

Type of Service	Type of Purchase
Professional Services	• Commission and royalties. • Employment labor for less than 30 days with authorized agencies only. Individual contracts must be forwarded to Human Resources. * • Professional service fees (attorneys, consultants and brokers) limited to those professionals identified in Texas Education Code 44.031.
Student Services	• Honoraria, guest speakers* (no gifts) • Instructional contract services** • Student activity and agency fund transactions • Cash advance - limited to theatre productions****
Employee Services	• Subscription renewals.*** • Institutional membership/dues.*** • Copy service transactions (with contracted vendor). • Petty cash expenditures (not-to-exceed $30).
General Services	• Messenger and delivery services. • Payment of fees (deeds, licenses, boiler and elevator inspections, legal and notary fees and utilities (gas, sewer, electric, telephone, steamed and chilled water, etc.) • Emergency work orders (plumbing, electrical, mechanical, glass repair, movers, etc.) • Prepayments and down payments, if required in contract. • Insurance policies (including students).
Travel Services	• Credit card purchases (authorized American Express and gas credit cards only). • Travel reimbursements (including travel and hotel accommodations). • Registration fees (conferences and seminars).
Miscellaneous Services	• Reimbursement for expenditures authorized prior to purchase by chancellor, presidents or vice chancellors (not to exceed $500). • Any appropriate authorized purchase from an existing system vendor. • (not to exceed $200) from a designated budget

	authority.

The review team requested that Accounts Payable provide an electronic list of all direct payments made from fiscal year 2000-01, 2001-02 and year-to-date in 2002-03. HCCS made 25.8 percent more direct payments in 2001-02 than in 2000-01. The system is on pace to issue the same number of direct payments in 2002-03. It was difficult to identify what these purchases were for, as there was little or no description in the documentation. The review team found the increase in the number of purchases as a cause for concern and indicates that HCCS has few controls in place to deter direct payments. The average dollar amount of direct payments in 2000-01 was $1,806; in 2001-02 the average was $2,811; and $1,882 on November 12, 2002 for 2002-03.

HCCS's contract with Westwood College of Aviation Technology accounts for about $1.3 million of the system's direct payments in 2002-03. **Exhibit 7-22** outlines the number and size of direct payments from 2000-01 to 2002-03.

Exhibit 7-22
Direct Pay Purchases
2000-01 through 2002-03

Year	Number of Direct Pays	Amount	Average
2000-01	6,186	$11,169,441	$1,806
2001-02	7,782	$21,878,858	$2,811
2002-03*	2,712	$5,103,077	$1,882

An Accounts Payable support specialist maintains a log of all direct payments. This log tracks direct payments by system and by campus. The log collects the date the request for a direct payment was received, the requestor, the budget account, the vendor name and comments summarizing what was purchased. **Exhibit 7-23** summarizes the payments logged through November 12, 2002. The review team found instances where HCCS staff used direct payments to purchase capital assets. This is a violation of the system's direct payment procedures.For example, HCCS made the down payment for a system vehicle and purchased computer equipment by direct payment. There is a discrepancy between the log and the report generated by the ERP system for the same time period. The log is missing 921 direct payment vouchers totaling $1,424,368, which indicates that the system is not effectively monitoring direct payments. Central College is the largest college in the system and logged the highest number of direct pays of the five colleges.

Exhibit 7-23
Direct Pay Purchase Log
September 1, 2002 through November 12, 2002

Location	Number of Direct Payments	Average Dollar Amount	Total Dollar Amount	Percent of Total
System	665	$2,798	$1,860,471	50.6%
Central College	363	$3,979	$1,444,516	39.3%
Southwest College	199	$495	$98,588	2.7%
Southeast College	200	$721	$144,242	3.9%
Northwest College	190	$521	$99,040	2.7%
Northeast College	174	$183	$31,852	0.8%
Total	**1,791**		**$3,678,709**	**100%**

Source: HCCS Direct Pay Log, November 12, 2002.

The system is vulnerable to fraudulent purchases because it does not have effective monitoring procedures. There is no way for the system to ensure that these purchases comply with TEC guidelines. Nor is there a means to verify that these purchases have been budgeted for or were purchased for the most competitive price. The system does not have punitive procedures in place that would effectively limit the use of direct payments by employees attempting to circumvent system purchasing procedures.

Many colleges use direct payments for emergency purchases and to reimburse employees for travel, fees and dues. The Texas Education Agency's Financial Accountability System Resource Guide (FASRG) provides a description of two types of emergency purchases. The first "results from an eminent threat to the health, safety, or welfare of students according to FASRG." Academic institutions can make purchases of this type only after a formal board action that declares an emergency and authorizes the purchase. Examples would be the materials required to repair a facility damaged by flooding. Local policy defines the second type of acceptable emergency purchase. Boards usually design these purchases to meet an immediate need to protect assets or secure facilities. For example, if vandals break the windows of a building, an immediate need exists to secure the building and protect the contents from theft and the elements.

The FASRG concludes, "care should be taken that emergency purchases do not result from improper planning rather than from a true emergency. It is important to attempt to eliminate emergency purchases for non-emergency situations as much as possible and require that all emergency purchases be fully justified." Generally, direct payment procedures are tedious to discourage staff from using on a regular basis. Some institutions limit the number of direct payments made by requiring high-level authorization from the president or a vice chancellor. This requires the requestor to present a thorough case for the purchase and limits staff from using direct payments to circumvent the college purchasing policy. In addition, the colleges run reports periodically to ensure that departments are not abusing the direct payment system. When colleges identify an abuser, they deal with the issue immediately whether that requires written warnings, termination or by requiring the employee to reimburse the college for the purchase.

Recommendation 73:

Develop reports to regularly track direct payments and take punitive action against employees who use direct payments to abuse purchasing policy.

It is unnecessary to use system resources to enter direct payments into a spreadsheet when it is clear that items are missing from the log. HCCS should develop an ERP system report that it can run each month to review that month's direct payments. The system should include the same information that the system collects in the log in the ERP report. This will eliminate the duplication of effort and ensure that HCCS identifies and reviews every direct payment voucher.

The number of items that can be purchased by direct pay is too broad. The system should review the criteria and eliminate some items. Emergency purchases should be the only procurement items that employees can purchase without a purchase order. HCCS can continue to use direct payment for employee reimbursements. But the system must identify the back-up documentation that it will require for employee reimbursements. HCCS should use open purchase orders to purchase many of the items it purchases through direct payment.

Finally, the system should specify what actions it will take against employees who continue to circumvent the purchasing process. There should be a graduated punishment in place. The first instance should result in a letter that notifies the employee that he or she has violated system purchasing policy and that he or she will be required to either return the item or pay for it personally. A second violation should result in a second letter that places the employee on probation and requires the employee to return the item or pay for it. Finally, a third notice should result in termination. It is important that system staff understand that making unauthorized purchases is a serious offense and is a misuse of public funds.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The executive director of Purchasing meets with the executive director of Financial Information Systems to develop the report specifications for a direct payment report that can be run during the month-end closing process.	August 2003
2.	The executive director of Financial Information Systems and the business analyst for Purchasing develop the direct payment management report.	September - October 2003
3.	The executive director of Purchasing, the vice chancellor for Finance and Administration and the chancellor review the direct payment criteria and eliminate everything but emergency purchases and employee reimbursements.	October 2003
4.	The vice chancellor for Finance and Administration drafts the new criteria and the punitive actions for violating the new policy. He also drafts an action item for the board to adopt the new policy.	November 2003
5.	The board adopts the new policy.	December 2003
6.	The executive director of Purchasing adds the new policy and criteria to the department's Web page.	December 2003

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 7
PURCHASING, RECEIVING AND CONTRACTED SERVICES

E. Receiving and Distribution

The system does not operate a traditional warehouse or maintain a central store that carries limited supply inventories or have centralized receiving or purchase distribution. All purchases are delivered directly to the end user who is then responsible for entering the receipt into the ERP system. If the item is not put into the ERP system, the invoice cannot be paid. The only warehouse facility is used to store surplus items before auction.

FINDING

HCCS does not have centralized receiving. Each college and department is responsible for receiving its own goods and ensuring that the items are received in good condition. Some colleges have instituted a centralized receiving area. The system receives its deliveries through the mailroom located on the first floor of the administration building. Staff is supposed to tag capital assets at each receiving site. When there are numerous receiving sites, it is difficult to follow this procedure because tags may not be available. As a result, the system has undocumented capital assets that it cannot trace.

When vendors deliver items to the wrong party, the system wastes valuable resources. The person who receives the shipment must determine who the proper party is and arrange for the items to be picked up. In the meantime, there is no guarantee that the items are in good condition since the receiving party cannot always be familiar with every type of product that might be delivered. An additional concern deals with the items put into the ERP system. Not every staff member knows how to enter receipts into the ERP system. Some departments do not have access to the ERP system and must forward paper copies of the packing slip to Accounts Payable. This delay has caused problems with prompt vendor payments. The ERP system will not permit a payment to be made for an item until the system receives it. If the packing slip never made it to Accounts Payable then those items were never officially received. However, the vendor knows that the items were delivered and expects payment. Without central receiving, it is difficult to know what the system receives, if staff members tagged capital assets and if staff members entered the items properly in the ERP system. If this does not occur, the system does not pay its vendors. Vendors might block future purchases until HCCS pays them.

Many colleges ask vendors to deliver supplies and materials directly to the user department or central receiving location. When vendors deliver items to the central receiving location, the central receiving personnel inspect the delivery, check the items against the order and deliver them to the proper location within 24 hours. Central receiving acts as a point of control and allows the customer to avoid the additional costs of storage and staffing associated with a warehouse. **Exhibit 7-24** shows how HCCS's peer colleges handle receiving.

Exhibit 7-24
Central Receiving and Warehouse Operations

HCCS and Peer Colleges
2002-03

College	Warehouse - Central Store	Central Receiving
Alamo	Yes	Yes
Austin	Yes	Yes
Dallas County	No	Yes
HCCS	**No**	**No**
North Harris Montgomery County	No	Yes

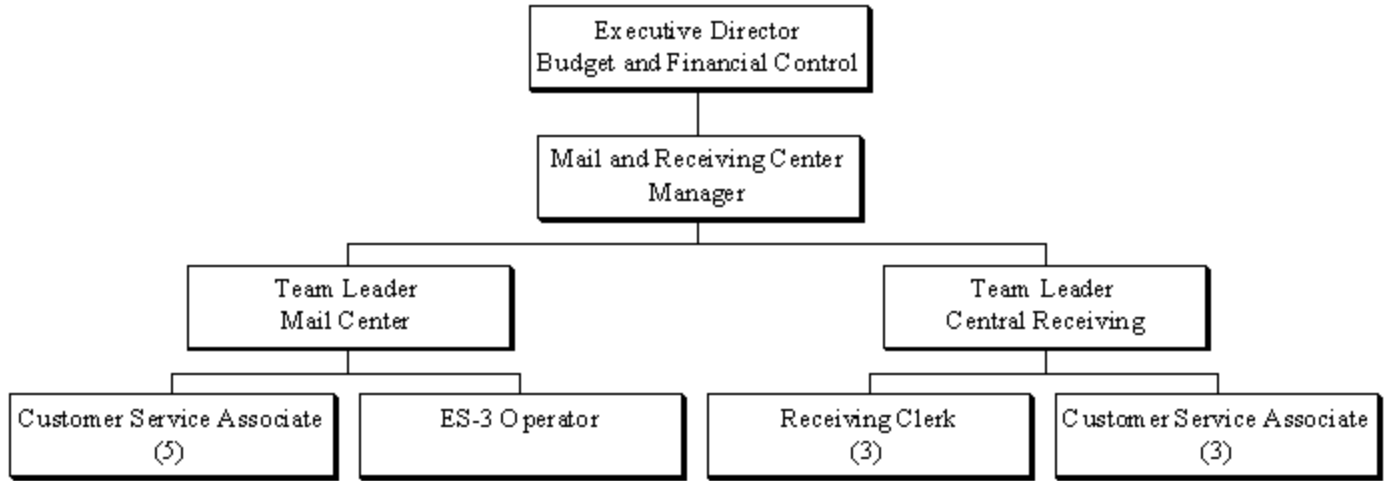*Source: Peer Surveys and Interviews with HCCS staff.*

Austin Community College (ACC) uses an automated computer system that helps receive, record, sort and deliver all items effectively and efficiently. The automated system creates internal delivery labels as it receives items for the warehouse. The internal delivery labels capture the carrier's tracking numbers and the purchase order number of the item. The system also creates an internal delivery manifest that allows the staff to sort the items by delivery route. Warehouse drivers then deliver the internally labeled and sorted items to their destinations. The system's drivers use portable data collector devices to capture the signature upon delivery. ACC can transfer the delivery data from the portable data collector to the main system so that the warehouse staff can provide the district with the delivery date, time and signature for each delivery. The system also provides various reports for trend and performance analysis.

Recommendation 74:

Establish a systemwide Central Receiving Department and develop an interface with the financial management system to effectively receive items.

HCCS should expand its mail service center to include a central receiving depot. The existing mail service center is centrally located, has mail trucks going out everyday and has a loading dock. A Central Receiving Department is necessary to establish systemwide receiving standards. It provides consistency in the quality of service throughout the institution and ensures that items are delivered to the correct individuals, receipt of items is entered into the system and the institution pays in a timely fashion. This will improve vendor relationships and allow the system to continue purchasing items from the desired vendor. In addition, central receiving will ensure that HCCS identifies, tags and enters all capital items into the ERP system. **Exhibit 7-25** presents the proposed revised organization structure for the new Mail and Receiving Center.

Exhibit 7-25
Proposed Mail and Receiving Center Organization

Source: Gibson Consulting Group, Inc.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The chancellor, the vice chancellor for Finance and Administration, the executive director of Purchasing, the executive director of Budget and Financial Control and the Mail Center manager meet to discuss how HCCS could expand the mail center into a Central Receiving Department for the system.	August 2003
2.	The Mail Center manager researches the requirements for central receiving.	August - October 2003
3.	The chancellor meets with college presidents to determine their individual receiving needs.	September 2003
4.	The Mail Center manager and the executive director of Financial Information Systems meet to determine what requirements will be necessary for the automated receiving system and what customization, if any, will be necessary to integrate system with the ERP system.	September 2003
5.	The Mail Center manager, the specifications writer, the executive director of Purchasing and the executive director of Financial Information Systems prepare a request for bid for delivery trucks and an automated receiving system.	November 2003
6.	The Purchasing Department advertises for bids on delivery trucks and an automated receiving system. The chancellor forms a selection committee composed of the executive director of Purchasing, senior buyer, specifications writer, the executive director of Financial Information System, the business analyst for Purchasing and college operations officers. The committee reviews all bids, tallies them and drafts a recommendation for the board.	December 2003 - April 2004
7.	The vice chancellor for Finance and Administration, the executive director of	March 2004

	Budgetary and Finance Control and the Mail Center manager determine staffing needs for central receiving.	
8.	The executive director of Purchasing and the executive director of Budget and Financial Control draft an action item for the board. The action item should explain why HCCS needs the new department, how it will be staffed and should include recommendations for delivery truck and automated system vendors.	May 2004
9.	The board approves the creation of a Central Receiving Department.	May 2004
10.	The Mail Center manager completes a requisition for the trucks and the system and requests that the Human Resources Department post the new positions.	June 2004
11.	The Human Resources Department posts the new positions and forwards resumes to the Mail Center manager.	June 2004
12.	The Mail Center manager interviews and hires new staff members.	July - August 2004
13.	The chancellor issues a systemwide memorandum informing colleges and departments of the new department and the new system receiving procedures.	August 2004
14.	The executive director of Purchasing posts the receiving procedures on the Purchasing Web page.	August 2004

FISCAL IMPACT

The system will have to purchase two delivery trucks to implement this recommendation. The cost of the trucks will be $23,055 for a large delivery van and $52,657 for a container truck to deliver large shipments. The purchase of the trucks will be a one-time cost of $75,712 ($23,055 for the van + $52,657 for the container truck). The automated receiving system will cost $13,500 per year.

Staffing the center will require that the Mail Center manager receive additional compensation for the expansion of his duties; this will result in an additional cost of $21,200 per year ($20,000 increase in salary plus a 6 percent incremental benefit rate) when the center is operational.

The center will require a supervisor at an annual cost of $29,150 ($27,500 in salary and 6 percent benefit rate). HCCS can transfer each college's receiving clerks to the new center. This will staff central receiving at no additional cost. The system will require three drivers at an annual cost of $58,830 ($18,500 in salary plus 6 percent benefit rate x three drivers). Total annual staffing costs will be $109,180 ($21,200 for the manager + $29,150 for the supervisor + $58,830 for the three drivers).

In 2003-04, there will be no fiscal impact associated with staffing. Beginning in 2004-05, the annual cost will be $122,680 ($109,180 staffing costs + $13,500 annual cost of the receiving system.)

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08
Purchase two delivery trucks.	$0	($75,712)	$0	$0	$0
Establish a systemwide Central Receiving Department and develop an interface with the financial management system to effectively receive items.	$0	($122,680)	($122,680)	($122,680)	($122,680)
Net Cost	**$0**	**($198,392)**	**($122,680)**	**($122,680)**	**($122,680)**

FINDING

HCCS does not have an efficient mechanism in place to ensure that staff members place identification tags on property immediately after they receive it. The system does not have a Central Receiving Department to receive and tag items before they are sent to the appropriate department or campus. The Inventory Control Department staff members said that they send identification tags to colleges and departments for newly purchased items. College administrators, staff informed the review team that there are instances when inventory sits in storage awaiting tags from the Inventory Control Department. One individual said she waited two months to receive tags for 15 computers.

Additionally, the Inventory Control staff does not have a procedure in place to ensure that the college staff applies tags to the property immediately after it is received. HCCS can only identify untagged items during physical inventories. While on site, the review team noted that a number of physical inventory items in the offices and conference rooms used for interviews did not have identification tags.

The Alamo Community College District's (ACCD's) procedures require that vendors deliver most of the district's fixed assets to its Central Receiving Department for application of the inventory tags before delivery to end users. Vendors ship items that are large in size or weight directly to the user site. ACCD Inventory Control tags these items at the delivery location.

The Austin Community College (ACC) fixed asset accountant ensures that property is tagged by comparing the general ledger report that shows fixed assets purchased during the month with the warehouse report showing fixed assets received and tagged that month. The accountant sends the warehouse technical assistant a list of the untagged assets that the comparison identified.

Recommendation 75:

Tag capital assets inventory within 24 hours of receiving the items.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The executive director of Budget and Financial Control instructs the inventory control clerk to develop and write procedures to ensure departments and colleges have inventory	July 2003

	tags within 24 hours of receiving the items. The procedures also should direct the Inventory Control Department to monitor the receiving departments to ensure they are tagging the inventory as soon as they receive the tags.	
2.	The inventory control clerk develops and writes the procedures.	August 2003
3.	The executive director of Budget and Financial Control approves the procedures and requests the Inventory Control staff implement the procedures immediately.	August 2003
4.	The inventory control clerk and the receiving supervisor revise tagging procedures to require that the central receiving staff tag all fixed assets within 24 hours of receiving items and prior delivery. Procedures should explain what to do when an item is received without a tag.	August 2004
5.	The executive director of Budget and Financial Control approves the procedures.	August 2004
6.	The Mail Center manager sends a systemwide e-mail that explains that the receiving department will tag tall fixed assets prior to delivering them to end users. The e-mail also should tell the staff what to do when they receive an untagged fixed asset.	August 2004

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 7
PURCHASING, RECEIVING AND CONTRACTED SERVICES

F. Contracted Services

HCCS can contract with private companies or other governmental agencies to provide several college operations such as maintenance and custodial services. It is important to regularly evaluate whether there are goods or services that the system can obtain from the private sector at a lower cost, higher quality or both. It is equally important to continually evaluate existing contracts to determine if the institution is getting the best value possible through the contracting arrangement.

HCCS contracts many of the services necessary to operate the five colleges and the main administrative building. The contracted services at most colleges include janitorial, heating, ventilation, air conditioning and refrigeration (HVAC), elevator, landscaping, pest control, copy machines and garbage collection. HCCS contracts for more than $3.6 million in annual services.

FINDING

The extent of contracted services varies between campus locations within the system. The prices for services also vary significantly. These contracted services are extensive and fall into two types of arrangements. One type is discrete services that are contracted for by individual colleges. The other type is systemwide contracts that serve all of HCCS. In many cases the discrete contracts may be providing the same services to a variety of colleges. These colleges may be paying different prices for the same services.

Exhibit 7-26 identifies selected contracted services at each campus with their budgeted expenditures. The average square foot cost of contracted services is $1.37 with significant variations between locations ranging from 63 cents at Northwest College to $2.22 at the main administrative building.

Exhibit 7-26
Selected Contracted Services

	Central	Northeast	Northwest	Southeast	Southwest	System
Janitorial	$564,637	$159,950	$119,748	$299,000	$428,100	$415,800

HVAC	$528	$177,651	$0	$83,500	$261,200	$698,393
Elevator	$0	$9,552	$0	$0	$0	$0
Landscaping	$25,000	$3,250	$0	$24,458	$163,900	$0
Pest Control	$10,000	$0	$0	$0	$0	$0
Copy Machines	$3,000	$0	$0	$0	$0	$1,600
Garbage Collection	$30,000	$0	$3,950	$14,928	$67,337	$53,000
Total	**$633,165**	**$350,403**	**$123,698**	**$421,886**	**$920,537**	**$1,168,793**
Gross Square Feet	655,467	290,900	197,564	293,245	521,831	526,000
Square Feet Cost	**$0.97**	**$1.20**	**$0.63**	**$1.44**	**$1.76**	**$2.22**

Source: HCCS Budget Request for Fiscal Year 2002-2003, Detail Expenditures by Department, November 2002.

The degree and variations between these contracts are so varied it is difficult to assess if the pricing is consistent. Managing a contract includes negotiating with a vendor and monitoring continuously to ensure the vendor complies with all terms of the contract and the institution is obtaining the most cost-beneficial rate and service available.

Recommendation 76:

Develop standards for all contracted services.

HCCS should solicit systemwide pricing from vendors to cut costs. The colleges should maintain individual system contracts and agreements while leveraging volume discounts for expanded services.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The executive director of Purchasing, with the assistance of the specifications writer and senior buyer, consolidates all contracts for contracted services and quantifies the scope and cost of services.	July 2003
2.	The specifications writer prepares a list of potential services and the anticipated cost for campus operating officers, the	August 2003

	campus coordinators and the director of Maintenance to review.	
3.	The senior buyer collects comments and prepares RFPs for contracted services that can be used systemwide, emphasizing price breaks and volume discounts.	August 2003
4.	The executive director of Purchasing reviews proposals and selects qualified and cost-competitive contractors.	September 2003
5.	The specifications writer and the senior buyer, with assistance from the executive director of Purchasing, provides assistance for reviewing existing contracts, terminating high-cost or low-service providers as appropriate and soliciting revised agreements with the best price and service contractors.	September 2003 and Ongoing

FISCAL IMPACT

By moving to a coordinated and centrally negotiated contracted services procurement strategy, volume pricing and leveraged discounts should allow the system to save 2 percent for services during the first year $72,370 ($3,618,482 in annual contracted services x 2 percent). In addition, a 3 percent cost reduction on contracted services of $108,554 ($3,618,482 in annual contracted services x 3 percent) should be saved on contracted services in the following years.

The 2 percent and 3 percent figures are based on the facilities consultant's professional opinion, based on his experience and working knowledge of the Houston area.

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08
Develop standards for all contracted services.	$72,370	$108,554	$108,554	$108,554	$108,554

Chapter 8
MANAGEMENT INFORMATION SYSTEMS

This chapter reviews the technology and management information systems at the Houston Community College System (HCCS) in the following sections:

A. Application Implementation and Integration
B. Technology Management and Planning
C. Network Infrastructure
D. Technical Support

The responsibilities of Management Information Systems (MIS) in community colleges vary. In some colleges, MIS or information technology units support only administrative functions. In others, they support both administrative and instructional functions. Generally, MIS manages the infrastructure which supports the system's use of technology. At a minimum, this includes the implementation and support of the wide area network. It also frequently includes support for all local area networks and, sometimes, includes management responsibility for the telephone system.

BACKGROUND

In 1981, HCCS outsourced most of the Information Technology (IT) functions to Systems and Computer Technology (SCT). After a high-level management change at HCCS, HCCS terminated its relationship with SCT in August 1992 and assumed full responsibility for IT management and operations.

In June 1994, HCCS executed a license agreement with PeopleSoft, Inc. to purchase the rights to its business application system, which includes human resources (HR), benefits administration and payroll modules. In July 1995, the board approved an agreement with the software system vendor for HCCS to become a beta site partner in the development of the Student Information System. HCCS became one of several higher education beta site participants, who test and provide feedback and direction to the vendor on the newly developed products.

In 1997, after many months of work to implement the business application system, the IT Department suspended the implementation project due to the lack of product maturity in that version to meet various higher education HR and finance requirements and resignation of several key technical and functional project members.

In 1998, HCCS evaluated the software system's version 7.5 and determined that the applications would meet HR and finance requirements. The HR module was implemented in January 2000. In September 2000, the finance module, which includes accounts payable, asset management, general ledger and purchasing sections, was implemented. Between July 1999 and November 2000, the student administration module, which includes the admission application, financial aid, registration, web registration and class scheduling sections, was implemented. Due to the time frame and changing over to year 2000 (Y2K) issues, the senior administration of HCCS decided to implement only the bare minimum and most crucial functionalities of the system version 7.5. Because of the initial limited implementation and some shortcomings of version 7.5, users lack certain functionalities, such as the purchasing module's lack of a workflow process component. The Application Development group has 256 open work order requests that are prioritized by users to address these lacking functionalities. HCCS also believes the new version of its software system, which is targeted for implementation in spring 2004, may address some of the lacking functionalities.

Although HCCS had executed a license agreement in 1994, it did not start using the software until year 2000. In the meantime, the IT Department continued to use the old mainframe application to hold archived student transcripts. The IT Department is now in the process of moving the remaining information from the mainframe to the new system so that the mainframe lease can be terminated.

Chapter 8
MANAGEMENT INFORMATION SYSTEMS

A. Application Implementation and Integration

In order to effectively manage the increasingly complex world of students, courses and funding, higher education institutions are looking to integrated business application systems. There are several benefits of having such a software system. One of the main advantages is to have improved access to information. Another advantage is to improve workflow and efficiency. Factors necessary for a successful software system implementation and integration include:

- defining the requirements;
- proper project management;
- support from executives and users; and
- user training

Without thorough training, users may be limited in their ability to correctly perform administrative processes or to extract data from the system.

FINDING

HCCS does not provide adequate user training for the new financial management system. Without proper training, users cannot take full advantage of the system's functionalities, taking longer to accomplish daily tasks. HCCS staff cannot be expected to increase efficiency when they are faced with a need to "learn as you go". As a result, users must direct their questions to the Application Development group, taking time away from this group's primary responsibility, which is to customize and develop new functionalities for the system.

HCCS converted to the software system in 2000 from a mainframe environment where users worked at "dumb terminal". A dumb terminal is a type of terminal that consists of a keyboard and a display screen that can be used to enter and transmit data to, or display data from, a computer to which it is connected. A dumb terminal, in contrast to a personal computer (PC), has no independent processing capability or auxiliary storage and thus cannot function as a stand-alone device. The software system is a PC Windows-based, mouse-driven software and represented a completely different way for employees to do their jobs. In a sense, the new system brought about a change in the existing technology culture of HCCS.

In the past, the users were able to go to the IT Department and provide the programmers with the data elements they needed, and IT would generate the report. The new system has changed this process. The user must now analyze their data needs and determine exactly what information must be accessed from the database and meet with IT to go over the data specifications in detail. Then IT builds the query program for the user and puts the query program on the system menu, and the user must now process the report. This change has not been well accepted by many HCCS staff members. Users are not used to providing this level of detail to programmers. All they understand is that they cannot get what they need. It is difficult to assess whether the new system meets HCCS's needs since users have only tapped the surface of its capabilities.

Because there is no formal or centralized coordination, training practices are not consistent across the organization. For example, the Human Resources Department uses a "train-the-trainer" approach; however, this concept is not enforced through systemwide policies and it is left up to the manager in each department to determine what type of training model will be applied. This practice causes inconsistencies in the types and levels of training and has resulted in a lack of depth in the knowledge base of staff.

When HCCS implemented the new software system, a group of users made up of Finance, HR and Student Services representatives were selected to develop implementation teams to assist with the implementation of the main modules of the system. These users worked side-by-side with consultants to implement the software system. After the implementation, these teams provided one time training and some written training material to the HCCS users. Later, the implementation teams became part of the Application Development group to support and customize the system. Although HCCS has implemented all of the main modules of the software system during the initial implementation, there are modules such as Financial Aid that are not fully implemented.

In 2001, HCCS hired a vendor to do an end user training needs assessment. HCCS did not implement the results of the assessment due to lack of funding and resources.

The Application Development group produces pamphlets to aid in user training; however, the written training materials cannot be substituted for hands-on training. Other than the written training manuals, there is no ongoing training provided to users. Face-to-face training is important, as written training manuals can be intimidating for individuals with a non-technical background. There are several areas in particular where the lack of adequate training is an issue for users of the software system:

- Student Services - The Student Services Department has relied on self-teaching methods and cross training to perform their job duties related to the software system. The enrollment specialists at the colleges have created an informal systemwide committee to address the lack of training and support for the student information module of the system. The committee meets once a month. Although HCCS IT department has more than 53 documents outlining specific procedures of Student Administration module of the software system, the committee has taken on an initiative to develop written step-by-step instructions for the registration process in the system.
- Asset Management - The Inventory Control staff said they never received training for the system's asset management module. When HCCS converted to the new system, the Inventory Control staff was given a manual to use to learn the new application.
- Purchasing - Users of the system's purchasing module have not been provided adequate training. Although Purchasing Department employees received some training on the new system when it was implemented use in September 2000, without exception, purchasing personnel indicated that the training was insufficient and that there was a critical need for more in-depth, hands-on training.

Without proper training on the software system, staff cannot take full advantage of the functionality available in the application. Often it takes longer to accomplish a task because the user must spend time learning the system through trial-and-error. It is unlikely that a user will discover the most time-effective way of performing a task. Many times, an untrained user takes several unnecessary steps. If the same user shows other users how he or she performed the task, inefficiencies are passed on to others.

The University of Central Florida, University of Akron in Ohio and Stanford University in California all have hands-on system training that is provided by their own staff in addition to providing written training guides and booklets. For example, the University of Central Florida has online listings and class registration for application system classes. The class information consists of course description, pre-requisites, mode of introduction, materials required, estimated class length and who should enroll. The university does not allow newly hired employees to have system access until they attend training.

Recommendation 77:

Provide ongoing hands-on training of the financial management system.

Assign permanent training coordination duties to the director of Administrative Services and Project Office. The training coordinator function should include identifying and prioritizing training needs, developing reference materials for all functional areas and coordinating the delivery of the training to staff members. The director of Administrative Services and Project Office does not necessarily need to have in depth product knowledge or institutional knowledge as the delivery of the training will be provided by the technical staff of the application development area. The primary responsibility will be coordinating and organizing the training, not providing it directly.

HCCS should involve key process owners in the training program in order to use their institutional and product knowledge to provide ongoing support to users. This step is critical because of the highly customized nature of the software system and the in-depth knowledge of HCCS policies and procedures that is required to use the system.

The departments needing immediate training include Student Services, Purchasing and Inventory Control. The training needs of the remaining departments and colleges should be assessed through surveys, staff interviews and needs assessment, prioritized according to the number of staff affected and the importance of the function being performed.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The executive director of IT assigns the training coordinator function to the director of Administrative Services and Project Office.	July 2003
2.	The vice chancellor for Institutional Development reviews and approves the new job duty.	August 2003
3.	The director of Administrative Services and Project Office coordinates efforts with all colleges and department heads regarding their staff members' administrative technology training needs.	September 2003
4.	The director of Administrative Services and Project Office creates a training schedule based on the availability of the training resources of the application development group.	November 2003
5.	The director of Administrative Services and Project Office communicates the training classes to the HCCS staff through Web site postings and e-mail.	November 2003

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 8
MANAGEMENT INFORMATION SYSTEMS

B. Technology Management and Planning

HCCS has two major technology departments: the Information Technology Department (IT) and the Instructional Computing Resources Center (ICRC). The IT Department has four functional areas that support HCCS. The divisions within the IT Department are Application Development, Administrative Support and Project Office, Telecommunications and System Support and End User Computing.

The IT Department reports to the vice chancellor for Institutional Development and the ICRC Department reports to vice chancellor for Educational Development. Technicians at each college are responsible for the instructional hardware support and report to administrators at the colleges. Each college also has a Curriculum Innovation Center to provide instructional technology training for its faculty members.

Exhibit 8-1 shows the organization of the IT Department.

Exhibit 8-1
HCCS Information Technology Department Organization

2002-03

Vice Chancellor Institutional Development

Executive Director Information Technology

Director, End User Computing

Director, Telecom/ Systems Support

Director, Application Development

Director, Administrative Services and Project Office

Manager, Information Center

Supervisor, Technical Support

Project Administrator

Manager, Data Center (Vacant)

Programmer Analyst

Programmer Analyst Special Projects

Fiscal/Contract Analyst (Vacant)

Document Specialist Part-Time

Documentation Specialist (Vacant)

Office Manager (1 Frozen)

Office Manager

Technical Support Analyst (8)

Sr. Hardware/ Software Technician (5)

Hardware/ Software Technician (7)

Computer Operator

Sr. Computer Operator (2)

Job Scheduler (Vacant)

Lead Production Control

Technical Research Analyst

Human Resources Manager

Finance Manager

SPIN Manager

Manager, Telephone Systems

Manager, Systems Support

Manager, Data Networks (Vacant)

System Analyst

Sr. System Analyst (Vacant)

Sr. Business Analyst

Sr. Customer Service Rep (2)

Sr. System Administrator

Sr. Network Analyst (3) (1 Vacant)

Sr. Programmer Analyst

Programmer/ Analyst

Principal Project Analyst

Sr. Telephone Systems Analyst (1) (1 Vacant)

System Administrator (4)

Network Analyst (2) (1 Vacant)

Benefits Business Analyst

Finance Business Analyst (3)

Sr. Programmer Analyst

Cable Analyst

Sr. Database Administrator (1 Vacant)

Network Security Administrator

Compensation Business Analyst

Sr. System Analyst

Customer Service Rep (2)

Database Administrator (1) (1 Vacant)

Employment Business Analyst

Programmer/ Analyst (8)

Telephone System Analyst

Payroll Business Analyst (Vacant)

Business Analyst (3)

Accounting Specialist

Accountant

Associate Programmer Analyst (Vacant)

Source: HCCS IT Department.

The IT Department has approximately 13 vacant positions, some of which are being filled by consultants. The time needed to fill vacant positions varies from several months to a year or more. The longer duration of vacancies usually happen due to the changes in job descriptions. For example, the Data Center Manager position that is responsible for mainframe and all other data applications has been vacant for almost five years. This position is being filled by a consultant because HCCS does not have the internal expertise and they are in the process of phasing out their mainframe operations. The department also uses other consultants for various IT functions such as database support, operating system support and Student Information System support.

In 1992, HCCS established the Instructional Computing (IC) Department. From 1992 to 1995, the IC Department concentrated on multimedia development, worked with colleges to set up onsite development and presentation areas for faculty and provided support for Distance Education. A faculty needs analysis survey completed in 1992 showed that faculty required basic training and hardware access. In 1995, the director of IC established an Instructional Computing Steering Committee to set the direction of IC. The IC Steering Committee included two faculty members from each college, one from academics, and one from workforce, in addition to representatives from the Educational Development Department, Distance Education and the library. The committee set the IC Department's focus away from high-end multimedia development to support of more basic faculty hands-on training and access to computers. Also in 1995, the department's name was changed to the name used today, Instructional Computing Resource Center, to reflect the new focus on faculty support.
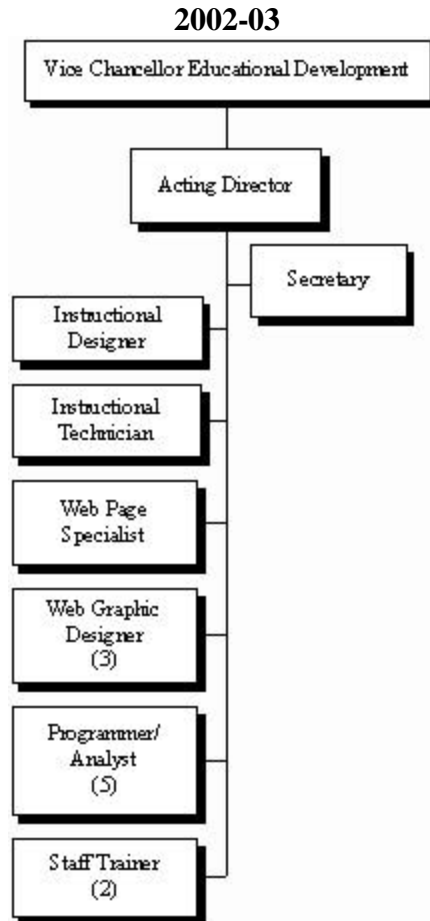
The ICRC Department works with faculty to help them incorporate technology into the curriculum and provides classes and workshops on how to use current software and hardware to all faculty and all full time staff.

The department also works with six centers, called Curriculum Innovation Centers, that are being expanded by provisions of a Title V Grant, which provides regular injections of hardware, software, technical support and formalized training through an Instructional Technology Certificate.

For non-instructional staff, technology training is provided by the various departments on an as-needed basis.

The ICRC Department's main responsibilities are to assist instructors in the use of technology in the teaching and learning process, to provide design and technical support for the HCCS Web site and to assist in grant support by coordinating Title V grant activities. **Exhibit 8-2** displays the organizational chart of the ICRC Department.

Exhibit 8-2
HCCS Instructional Computing Resources Center

2002-03

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                    ┌─────────────────────────────────┐
                    │ Vice Chancellor Educational Development │
                    └─────────────────────────────────┘
                                    │
                          ┌──────────────────┐
                          │  Acting Director │
                          └──────────────────┘
                                    │
                                    │        ┌──────────────┐
                                    │────────│  Secretary   │
                                    │        └──────────────┘
         ┌──────────────┐           │
         │ Instructional│───────────│
         │   Designer   │           │
         └──────────────┘           │
         ┌──────────────┐           │
         │ Instructional│───────────│
         │  Technician  │           │
         └──────────────┘           │
         ┌──────────────┐           │
         │  Web Page    │───────────│
         │  Specialist  │           │
         └──────────────┘           │
         ┌──────────────┐           │
         │ Web Graphic  │───────────│
         │  Designer    │           │
         │    (3)       │           │
         └──────────────┘           │
         ┌──────────────┐           │
         │ Programmer/  │───────────│
         │  Analyst     │           │
         │    (5)       │           │
         └──────────────┘           │
         ┌──────────────┐           │
         │ Staff Trainer│───────────┘
         │    (2)       │
         └──────────────┘
```

Source: HCCS ICRC Department.

In 2000-01, ICRC was transferred to report directly to the vice chancellor for Institutional Development. Two years later, in 2002-03, the vice chancellor for Educational Development assumed the administrative and management operations of ICRC. The director of ICRC retired in October 2002, and a staff trainer is acting as the director for this department. HCCS plans to form a search committee to oversee the selection of the ICRC director position. HCCS has chosen a chairman of the search committee; however as of February 2003 no committee members have been selected.

In December 2002, the executive director of IT started to attend meetings of the chancellor's executive team.

HCCS has a three-year IT strategic plan, which includes the IT and ICRC Departments. The Distance Education Department has written goals in collaboration with the IT strategic plan. HCCS strategic plan also has specific IT related objectives. HCCS's strategic plan calls for the development and implementation of an instructional technology equipment and software plan that defines a systemwide three-year purchase, recycling and maintenance process. HCCS has accomplished this objective and has a three-year plan for its instructional technology equipment

and software. HCCS's IT Department additionally is working on a computer inventory project, which will accomplish similar goals for the administrative technology equipment and software.

In order to achieve global acceptance and support, HCCS has developed various technology user committees.

Exhibit 8-3 shows the standing technology user committees and their members at HCCS.

Exhibit 8-3
HCCS Information Technology Committees

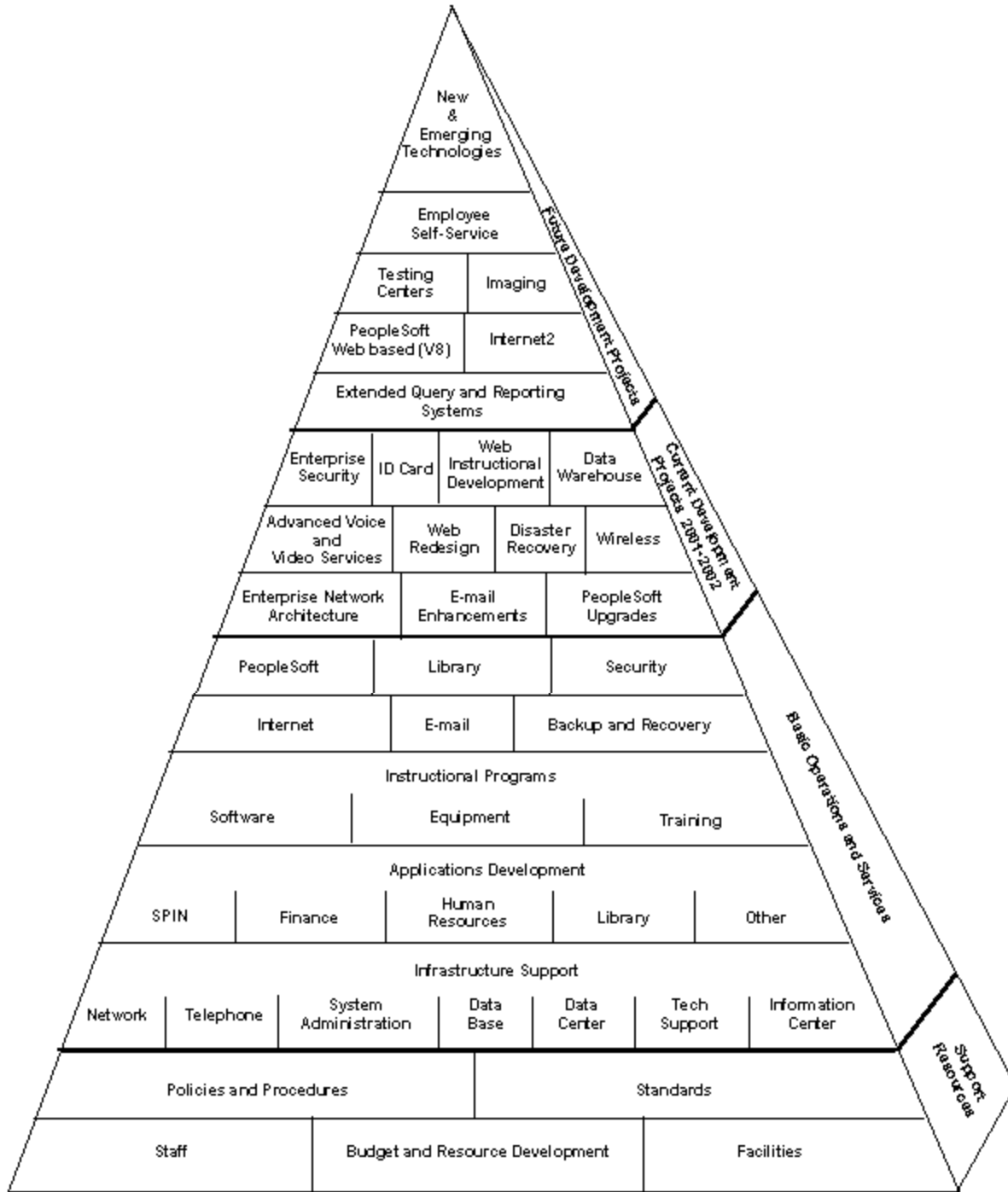| Committee Name	Committee Goal	Members
Information Technology Steering Committee	The Information Technology Steering Committee is charged with overseeing IT's strategic direction as well as the following subcommittees. This committee will receive reports from its subcommittees and make recommendations, as well as maintain and review a five-year Technology Plan and review the department's performance.	• Chair, executive director of Information Technology • All four vice chancellors • All five presidents of colleges • Computer Science Department chair • At-large faculty member • Library chair • Executive director of Distance Education • Director of Instructional Computing Resource Center
Technology Standards Committee	The committee is charged with standardizing hardware and software needs for the system. The committee will also examine the problems of hardware and software purchasing, upgrading, maintenance and recycling for the system.	• Director of End-User Computing • College representatives

Library Automation Information Systems Committee	Maintain scope of services for the automated library systems, assist in prioritization of any projects and disseminate information back to colleges and constituencies that the members represent.	- Director of Administrative Services and Project Office - Library Systems analyst - College library chairs - Director of Library Technical Services
PeopleSoft Oversight Committee	Maintain scope of services for the administrative systems, assist in prioritization of any projects and disseminate information back to colleges and constituencies that the members represent.	- Executive director of Information Technology - Vice chancellor for Institutional Development - Executive director of Human Resources - Director of HR Management Information Systems - Group manager, SPIN Project - Executive director Finance - Vice chancellor for Finance and Administration
Appropriate Usage of Technology Policy Development Committee	Develop HCCS policy as it pertains to the use of electronic data systems, global networks, access and appropriate use of HCCS data.	- Executive director of Information Technology - Auditor, System

		Representative
		• Policy, System Representative • College Representative

HCCS's IT Department uses a pyramid shaped illustration of its three-year technology plan (**Exhibit 8-4**). The pyramid is divided into four sections, which represent the four goals of the IT strategic plan. The goals are to establish sufficient IT infrastructure and support services; provide basic IT services for operations of the institution; develop extended technology services and evaluate and test future technologies.

Exhibit 8-4
HCCS Information Technology Strategic Plan
2001 through 2003

The pyramid contains the following labels from top to bottom:

- New & Emerging Technologies
- Employee Self-Service
- Testing Centers | Imaging
- PeopleSoft Web based (V8) | Internet2
- Extended Query and Reporting Systems
- Enterprise Security | ID Card | Web Instructional Development | Data Warehouse
- Advanced Voice and Video Services | Web Redesign | Disaster Recovery | Wireless
- Enterprise Network Architecture | E-mail Enhancements | PeopleSoft Upgrades
- PeopleSoft | Library | Security
- Internet | E-mail | Backup and Recovery
- Instructional Programs
- Software | Equipment | Training
- Applications Development
- SPIN | Finance | Human Resources | Library | Other
- Infrastructure Support
- Network | Telephone | System Administration | Data Base | Data Center | Tech Support | Information Center
- Policies and Procedures | Standards
- Staff | Budget and Resource Development | Facilities

Right-side labels: Future Development Projects | Current Development Projects 2001-2002 | Basic Operations and Services | Support Resources

September 9, 2002 V.5.2

Source: HCCS IT Department Strategic Plan 2001-2003.

HCCS receives the majority of its grant funding from the Telecommunications Infrastructure Fund (TIF) and from Title V funding. TIF is a state program funded by grants that pay for advanced telecommunications infrastructure and technology training. Title V money is provided to institutions through the Higher Education Act of 1965, as amended in 1998, and is used to

develop institutions that serve a large number of minority students, especially Hispanic students. **Exhibit 8-5** lists the grants that HCCS has received in the last five years.

Exhibit 8-5
HCCS Technology Grants

Grant Name	Year	Amount
Title V	1999-2004	$2,100,000
TIF (Library)	1998-1999	$789,000
TIF (Library)	2001-2002	$650,000
TIF	2001-2002	$650,000
TIF	2002	$658,000
Total		**$4,847,000**

Source: HCCS Technology Grants Documentation.

The Title V grant is used in two main areas. The first area involves faculty development to infuse technology into the curriculum and the second area is student retention and success, particularly for low income and first generation college students through technology-assisted services. TIF grants are used in various technology infrastructure projects such as video conferencing and library innovation.

Exhibit 8-6 shows the HCCS technology budgets from 2000 through 2003.

Exhibit 8-6
HCCS Approved Budgets
2000 - 2003

Expense Type	2000	2001	2002	2003
Salaries and Wages	$4,841,905	$5,349,807	$4,836,457	$5,140,138
IT Development	$3,296,800	$1,950,000	$255,965	$136,395
Other Expenses	$6,387,770	$7,862,285	$8,003,564	$7,500,805
Total IT Budget	**$14,526,475**	**$15,162,092**	**$13,095,986**	**$12,777,338**
Total HCCS Budget	**$151,053,300**	**$170,515,501**	**$179,880,510**	**$196,871,762**
IT Budget percent of Total Budget	9.6%	8.9%	7.3%	6.5%

Source: HCCS Four-Year IT Department Budget Information.

The IT Department budget as a percentage of the total budget dropped from 10 percent in 2000 to 6 percent in 2003. This decrease is due to a reduction in the number and size of customization projects as HCCS has moved beyond the initial phases of the system implementation, which began in 2000.

FINDING

HCCS does not have comprehensive policies and procedures for all IT functions. Lack of policies and procedures can create confusion, mistakes and misunderstandings. As a result, data or equipment may be damaged or lost and user services may suffer. The IT Department does not have security policies and procedures for the data center where it houses most of its servers and data. Although Telecommunication and System Support staff developed security policies and procedures for the data center in 2001, IT management did not approve the proposed document.

The four functional groups of Application Development, Telecommunication Systems and Support, End User Computing and Administrative Services and Project Office each have written policies and procedures that are unique to their areas. For example, the Application Development group has procedures for its programmers that provide programming standards. The Telecommunication Services and Support group has policies regarding back-up and maintenance of servers. The End User Computing group has procedures for its Help Desk staff explaining how to handle a work order from beginning to end. However, the IT Department does not know whether any of the individual policies and procedures in these areas contradict each other.

In October 2002, the Administrative Services and Project Office group hired a consultant to standardize and complete all the policies and procedures of the IT Department. As a result of insufficient progress, the consultant's contract was cancelled. In November 2002, the Administrative Services and Project Office took over the task and was still working on it during the review team's site visit.

The detail and the variety of policies and procedures for an IT organization may vary from institution to institution; however, all IT organizations' policies and procedures should cover the following main areas:

- IT planning;
- project management;
- technology procurement;
- outsourcing and consultants;
- security;
- data protection;
- support; and
- acceptable usage of IT tools and services.

Baylor University (BU) Information Technology Services Department has the following policies and procedures:

- application systems security procedures;

- backup policy for department computers;
- computer purchasing and related policies;
- computer server security and network policy;
- general computer support policy;
- hardware maintenance policy;
- hardware support levels http://its.baylor.edu/policies/web_pol.htm http://its.baylor.edu/policies/Microsoft Statement.htm;
- incident response policy; and
- policy for campus computer disposition.

BU also has guidelines regarding campus IDs, e-mail, newsgroup, information access and the World Wide Web. Policies, procedures and guidelines are all located on its Web site for easy access by all users.

Recommendation 78:

Create comprehensive policies and procedures for the Information Technology Department and make them accessible online for all departments.

After the policies and procedures are created and distributed, required training should be conducted on key procedures in order to help staff implement the policies and procedures.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The director of the Administrative Services and Project Office collects all written policies and procedures from all IT functions.	July 2003
2.	The executive director of IT and the director of the Administrative Services and Project Office develop a list of policies and procedures that are missing after their review of the policies and procedures collected from the functional areas.	August 2003
3.	The executive director of IT sets deadlines for completing the new policies and procedures.	September 2003
4.	The director of the Administrative Services and Project Office completes the development of the policies and procedures.	November 2003
5.	The executive director of IT presents the completed policies and procedures manual to the chancellor for review and approval.	November 2003
6.	The director of the Administrative Services and Project Office reviews and updates the procedures annually.	December 2003 and Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

HCCS does not have an organized and structured approach to Web site management, causing problems relating to the management of content on the HCCS Web site. Among these problems are inconsistent user experience poor page layout, design and lack of content delivery standardization.

Although the ICRC Department provides Web page templates, not all colleges and departments use them and standards are not enforced across the system. An example of a problem caused by the lack of enforced standards across the Web site is that some Web pages don't have links back to the HCCS home page. This is because the colleges are not using the standard templates, which were approved by the Chancellor's executive team in July, 1999. During site visits, college administrators indicated that they do not use HCCS provided Web page templates because the templates that were designed in 1999 are outdated and they are dissatisfied with the design and format of the templates.

There is no formal mechanism for resolving problems and making decisions relating to the Web site. As a result, there is no framework that allows HCCS to strike a balance between the unique needs at the individual colleges and the need for systemwide standards. This is a problem because the colleges have unique needs and often want to create features and designs on their Web sites that are not in line with the standards. Without a way to make a decision on what is acceptable, colleges sometimes post inconsistent materials or decide to accept unmet needs because they adhere to the standards and do not attempt to negotiate a compromise that will satisfy both objectives.

There is no standard application or platform for HCCS to update the content of the Web site. The TSPR survey conducted in connection with this review shows that users are not finding the site to be user-friendly and they have complaints that the content is not current. HCCS cannot afford to have these problems with its Web site because many important functions have been automated so that students can conduct activities on the Internet. Several mission-critical operations, such as admissions, registration, checking grades and payment of tuition and fees, are now done primarily online. Even if a person comes to a college to apply or register in person, he or she is directed to the computer lab to complete the process via the Web site. Only in rare cases where a person is unable or unwilling to enter the application or to register online will an HCCS staff member enter the information directly into the system.

HCCS has created a Web site planning and design evaluation committee to write a proposal for Web site planning and design services for HCCS. However, this committee is not a standing committee which means the committee will no longer meet once the proposal is written and the suitable vendor for the task is chosen.

Although HCCS indicated that the committee has chosen a vendor to do the Web site planning and design, HCCS still does not have a standing Web site committee to enforce the standards once the vendor completes its work.

Having a standard application platform to deliver content to the Web site allows content owners such as colleges and departments to bring more, up-to-date content to the Web site. If the content of the Web site is not current, the content may become useless. As a result, Web site users will

be misinformed and eventually will stop using the Web site. Guidelines and standards are often used in colleges to make Web sites consistent and less likely to have incorrect information.

Austin Community College (ACC), one of HCCS' peers, has a Web site committee. The committee sets Web site rules and procedures for the ACC Web site and additional guidelines for the instructional department web pages. ACC has nine required and 13 recommended Web site rules and procedures. Following are the required rules and procedures.

- The date of last review/update should be displayed on every page at the bottom.
- Page manager names and e-mail addresses should be easily available from every page.
- Page managers should maintain their Web pages.
- Whenever possible, link to existing content on other pages/sites on the ACC website rather than replicating content.
- In using the ACC logo, colors, fonts and other graphic elements, page authors should follow usage guidelines found at the Web site.
- Always include a link to "ACC Home" on the top page of every directory;
- No pages should be "under construction."
- Keep confidential, security-based, or other sensitive information on the ACC intranet; don't post to "public pages."
- If you use a "Search" function on your Web page(s), make sure it is clearly labeled as being just for your page(s) and not all of ACC's website.

ACC Web site committee also sets 10 guidelines for the instructional department Web pages. The goal for these guidelines is to allow for academic and workforce departments to manage the content of their Web pages while ensuring that minimum standards and a consistent threshold of essential information for students is maintained.

Recommendation 79:

Create a standing, systemwide Web site steering committee responsible for aligning the HCCS Web site strategy with systemwide goals and objectives.

The steering committee should include representation from the following departments and staff; office of marketing and public information, Information Technology, ICRC, DE, college Web masters, Web programmers and Web graphic designers. This will ensure that the goals and strategies set forth in the HCCS strategic plan are considered in the development of a Web site strategy and that the initiatives are coordinated and consistent across colleges. This committee should also be responsible for setting Web site standards and guidelines.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The associate vice chancellor for Communications creates a steering committee to assume responsibility for HCCS' Web site strategy and management and presents it to the chancellor for approval.	July 2003
2.	The chancellor approves the creation of the committee.	August

		2003
3.	The steering committee develops a Web site strategy based on systemwide goals and objectives in the HCCS strategic plan, standards and guidelines.	August 2003
4.	The steering committee presents the Web site strategy, standards and guidelines to the chancellor for review and approval.	November 2003
5.	The chancellor approves the Web site strategy, standards and guidelines.	November 2003
6.	The committee implements and updates the Web site strategy, standards and guidelines as needed.	Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

The IT Department does not completely control the Web site infrastructure at HCCS causing Web site performance and outage issues.

When the IT Department launched an online bookstore application on HCCS's Web site, the ICRC Department was not aware. Web site traffic was increased significantly due to the new application. Increased Web site traffic caused several Web servers to fail and others to slow down in responding to user requests. Had it been a coordinated effort, proper modifications to the server could have been made before launching the new application.

The infrastructure aspects of Web site management includes database interfaces, application server interfaces, speed issues, security maintenance, log monitoring and configuration management. All these functions are ordinarily part of the IT Department's core competency and responsibilities; however, at HCCS, the ICRC Department manages HCCS's 11 Web servers, which are typically controlled by the IT Department in other organizations. This situation evolved over time, as HCCS's Web site presence began in the ICRC Department and its infrastructure grew to support it and the Web site presence continued to expand. **Exhibit 8-7** shows the increase in the number of Web pages over the last four years.

Exhibit 8-7
**Increase in HCCS Web Pages**

Year	# of Web Pages	% Increase
1999	530	N/A
2000	685	29%
2001	652	(5%)

2002	1,217	87%

As the number of Web pages and the complexity of the HCCS Web site continue to increase, managing the infrastructure that supports it from "end-to-end" is becoming more critical. The term "end-to-end" refers to the entire network computing architecture that is needed for today's complex Web site functionality, from the user's computer to Web servers, to application servers to database servers. **Exhibit 8-8** illustrates the core components of the end-to-end Web site infrastructure.

Exhibit 8-8
HCCS End-to-End Web Site Infrastructure
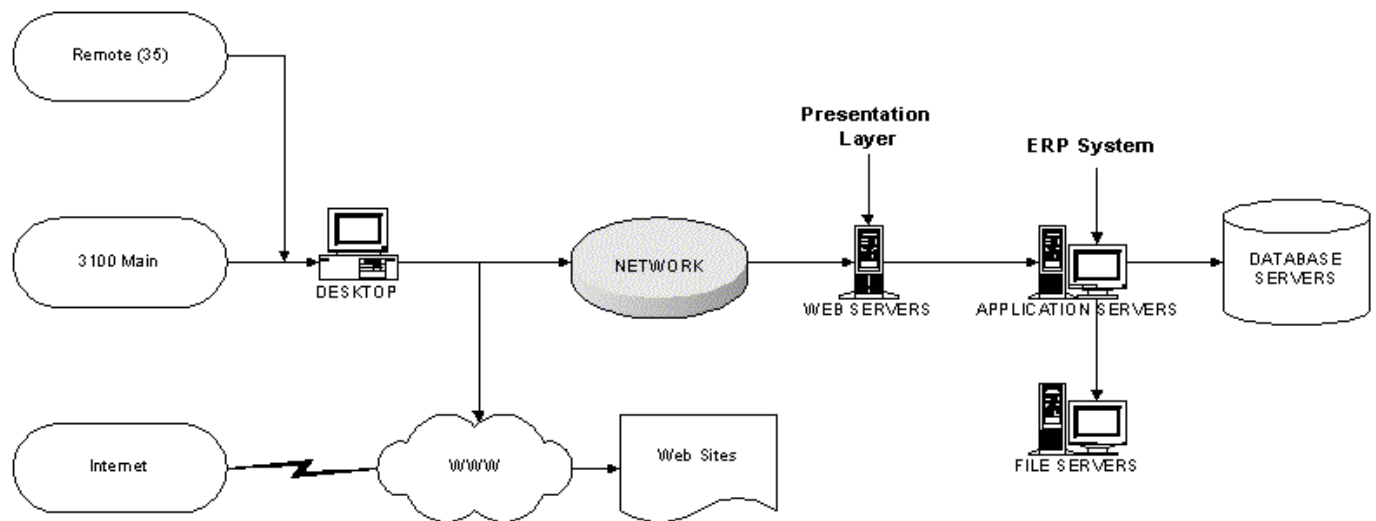
It is especially important for the IT Department to control the entire infrastructure because HCCS is now conducting many of its daily operations and transactions online and plans to continue this strategy in the future.

In the past, the Web site contained mostly static content, which did not require any interaction with databases or changes to content based on the choices made by users while visiting the Web site. Today and increasingly in the future, the Web site will act as a mechanism to deliver information from the user directly into HCCS databases and will provide functionality and content to the end user based on the selections they make.

ACC has a similar technology organization structure. Both institutions have separate instructional technology and information technology departments. However, unlike HCCS, Web site services and Web site infrastructure management functionalities at ACC reside in the information technology department.

Recommendation 80:

Shift responsibility for all Web site infrastructures, including the Web servers managed by the Instructional Computing Resource Center and the Information Technology Department, to the System Support group.

The entire Web site infrastructure which includes web servers, application servers, database servers, file servers and all the connections should be System Support group's responsibility under IT Department. The ownership of the web infrastructure by one department "end to end" will increase its performance and security. This will also minimize the downtime and enhance the support.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The vice chancellor for Institutional Development meets with the executive director of IT and the director of ICRC and communicates the responsibility changes.	July 2003
2.	The director of ICRC meets separately with the executive director of IT to discuss logistics of the move.	August 2003
3.	The ICRC Department Web programmers who are responsible for HCCS Web servers report to System Support group under IT Department.	August 2003
4.	The executive director of IT Department becomes responsible for the Web site infrastructure and its performance.	Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 8
MANAGEMENT INFORMATION SYSTEMS

C. Network Infrastructure

A wide area network (WAN) connects the local area networks (LANs) located throughout the system. A LAN is typically found within a building and connects all the users within that building to one local network. By connecting a LAN to a WAN, all LAN users gain access to others in the organization, as well as to the electronic world beyond. A community college that has every user connected through a LAN to a WAN has established the infrastructure necessary to take full advantage of the telecommunications capabilities that exist today and those that will be available in the future.

Exhibit 8-9 displays the network infrastructure of HCCS.

Exhibit 8-9
HCCS Network Infrastructure
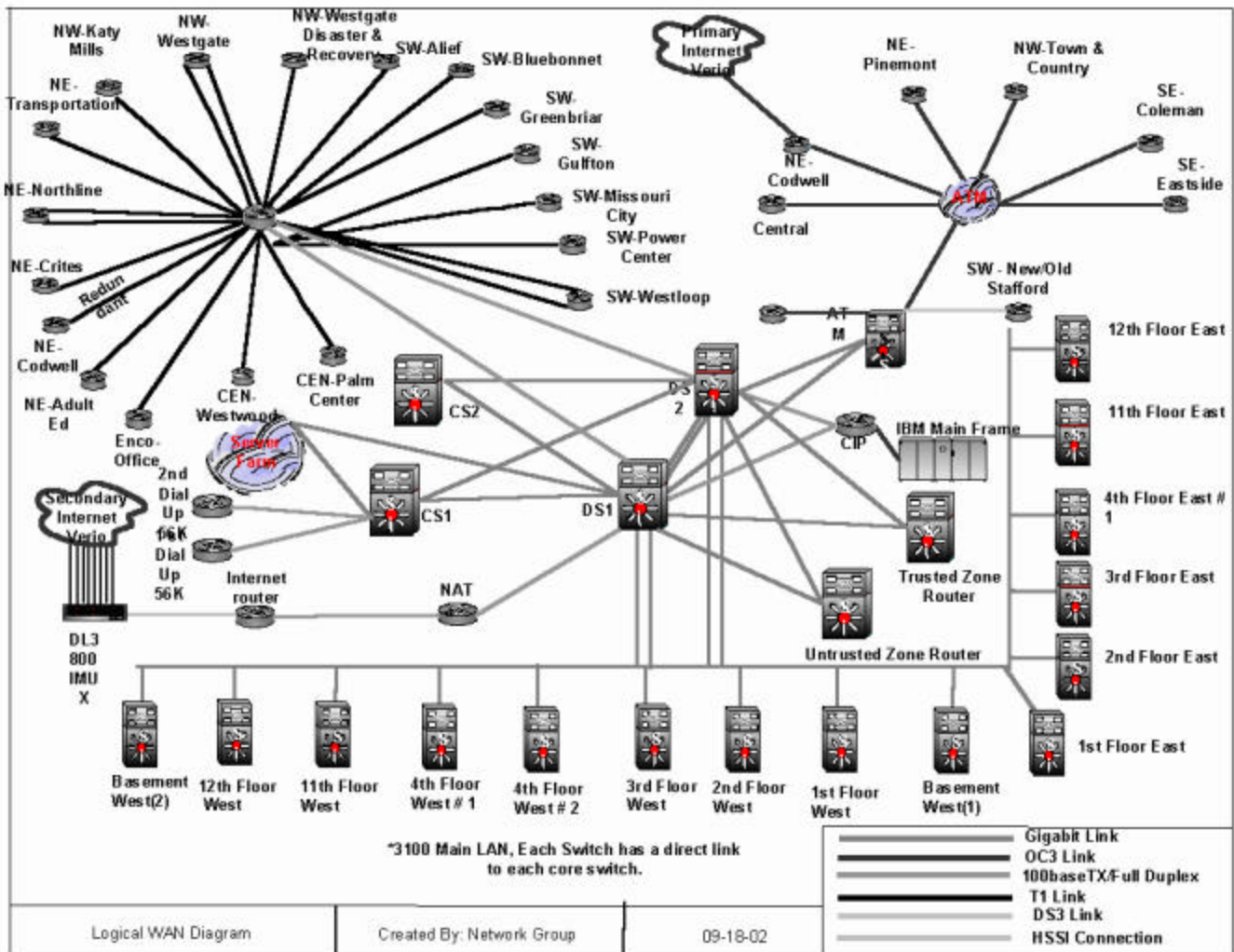
Source: HCCS Information Technology Department Network Infrastructure.

The HCCS network serves more than 50,000 students and over 5,000 faculty, administrators and staff. The HCCS IT Department serves as the hub for connectivity between all sites.

Exhibit 8-10 shows the IT environment of HCCS.

Exhibit 8-10
HCCS Information Technology Environments
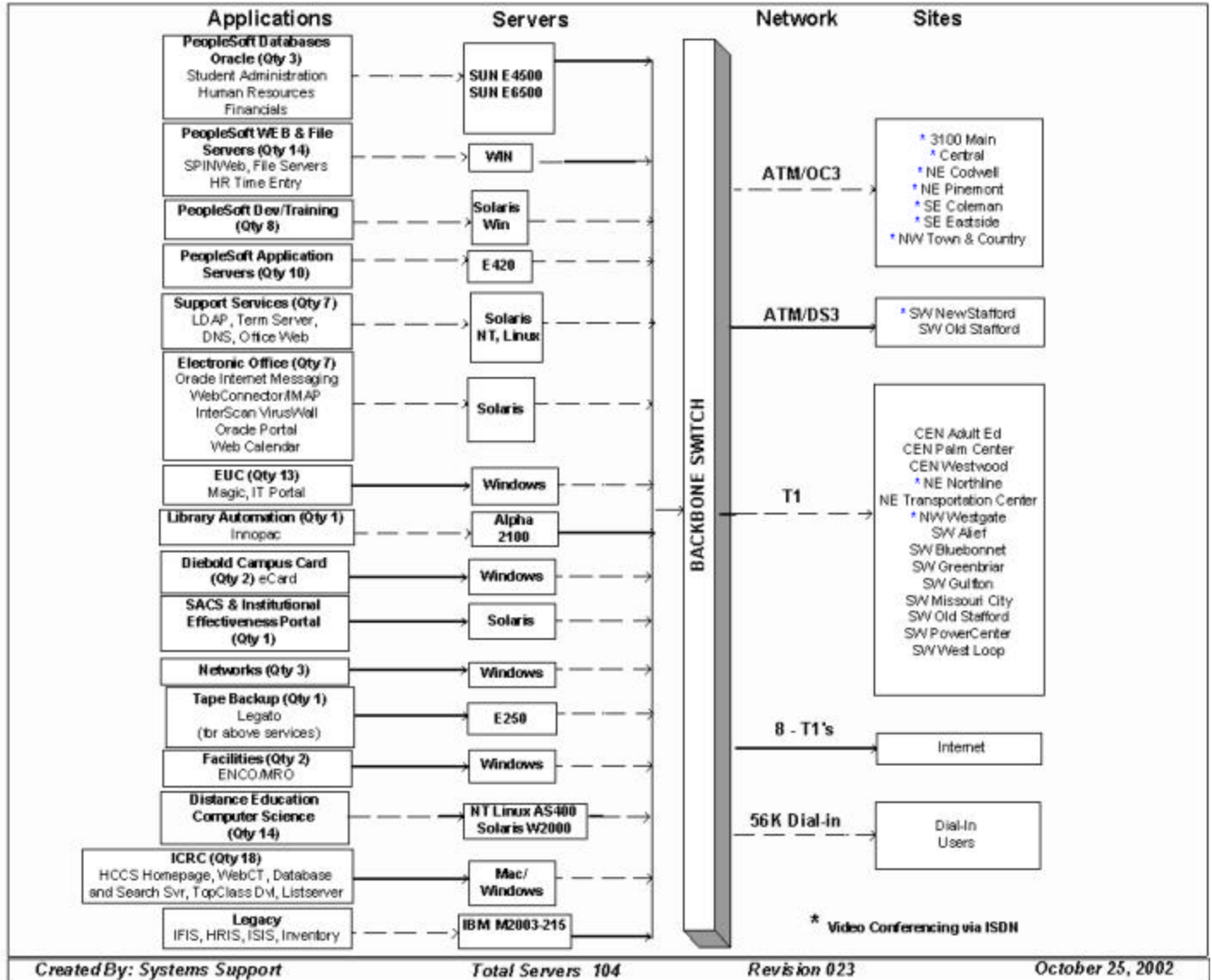
Source: HCCS Information Technology Department.

The HCCS Information Technology Department manages a wide variety of applications which run in different server environments such as Sun Solaris, Microsoft 2000 and IBM mainframe. HCCS sites are connected to these applications through HCCS network infrastructure which consists of various speed connections from T1 (1.55 megabyte per second) to OC3 (155.55 megabyte per second) lines.

FINDING

The IT Department has created a performance monitoring and testing system for its entire network and application infrastructure. Instead of responding to an outage when the user reports it, the IT Department

plans ahead and finds and documents outages as they occur. The Data Center is responsible for running this system. The IT Department created a Data Center verification log sheet.

Exhibit 8-11 shows the Data Center verification log sheet.

Exhibit 8-11
HCCS IT Data Center Verification Log Sheet

Active - Systems To Be Monitored			Inactive -			Temporary -			N/A -
		TIME CHECKED	Every Half An Hour 24 Hours						
Job 10	HAS-OPR ERR								
Job 20	DAILY REC. TRACE	# of Times > than 30 Seconds/hour							
Job 30	VERIO	HIGHEST READING							
Job 220	Whats Up Gold	Red Areas - # of Locs.							
Job 40	Web Credit Card	# OF ERRS							
		IMAP and LDAP							
		From IMAP TO: hccs oper							
		From IMAP CC: IMAP							
		From hccs oper TO: IMAP							
Job 50	E-Mail & WEB -- VERIFY up/down	From hccs oper CC: hccs oper							

Job 60	**LIBRUS**	Library System Access										
Job 70	**Server**	Amber light check off	▒		▒		▒		▒		▒	
Job 80	**PS SPIN**	WEB Server Regis-tration										
Job 90	**A/C TEMP**	A/C Temp Checks - Log Book		▒	▒	▒		▒	▒	▒		▒
Job 100	**Dist.EdAcces**	Check Dist. Ed server access										
Job 110	**FTP**	Info-sysnt FTP server	▒		▒		▒		▒		▒	

Job	System	Task										
		Check for Appserver access										
Job 115	PS SPIN	Check for Oracle access										
Job 120	PS FIN.	Check PS-FIN for access-ability										
		Check PS UNX process sched. Active										
Job 130	PS HR	Check PS_HR for access-ability										
Job 140	Dist. Ed Tapes	Dist. Ed Tape Back-up						Tuesdays ONLY				
Job 145	Power	Check Power Indicator Lights "G" "B" "R"										
Job 160	SACS	SACS WEB Portal										
Job 180	IT Portal / E-Mail	Inter-office E-mail										
		HCCS WEB CAL										
Job 190	DE-3	WEB CT										
		Adams										
		Jefferson										
		Madison										
		Monroe										
Job 200	PeopleSoft Web Servers	Admissions										
Job 210	Dial-up Web	Connect Speed										
Job 230	SPIN	Mass Matri-culation										
		Operator Initials										

Source: HCCS Data Center Verification Log Sheet.

The Data Center verification log sheet helps the Data Center monitor and test 33 different elements for HCCS's network and application infrastructure. For example, the Data Center sends e-mails to and from the HCCS e-mail system every half an hour to verify whether the e-mail service is up and running or

not. This approach enables the Data Center respond to problems before they are reported to them by users. The Data Center monitors all 33 checks every half an hour.

Based on the results of this process, the Data Center produces a daily incident report. **Exhibit 8-12** displays a sample of this report.

Exhibit 8-12
IT Daily Incident Report

IT Daily Incident Report Detail										
Type: AC=A/C Temp Problems DC=Data Center DE=Distance Ed EM=E-mail HHP=HCCS Home Page HL&P=HL&P IC=Internet Connectivity IF=Info center LL= Library NW=Network PSS=PS-Spin PSF=PS-Fin SS=System Support SWB=SW-Bell TE=Telephony										
Incident #	Type	Discovery		Who and When Notified	Problem Description	Resolution		Duration	Scheduled	Diagnosis/ Resolution
		Date	Time			Date	Time			
DC00689	PSS	8/31/02	18:15	Sylvia, Rick	PSS year end processing started	8/31/02	24:00	5:45	YES	PSS Year end processing started.
DC00687	SS	8/31/02	11:45	Rick, Charles	OFFICE WEB down	8/31/02		None	NO	Office Web server down. Charles was notified and would check it later.
DC00686	NW	8/31/02	9:10	Rick, Allen	Gulfton down	8/31/02	10:50	1:40	NO	Gulfton down. Allen was contacted and took care of the problem.

Source: HCCS Data Center IT Daily Incident Report.

The daily incident reports show vital information such as time, problem description and duration regarding scheduled or unscheduled network outages. This report not only gives IT managers information about their systems and their performance, but it also helps the Help Desk technicians to identify systemwide technical problems.

The Data Center gathers the daily incident reports to generate weekly and monthly availability reports for the HCCS network and application infrastructure. **Exhibit 8-13** shows a sample weekly report for the week of August 19, 2002 through August 25, 2002.

Exhibit 8-13
HCCS IT Weekly Availability Report

August 19 2002 through August 25, 2002

I.T. Availability Report											
2001/2002 Weekly Summary											
Type: AC=A/C Temp Problems DC=Data Center DE=Distance Ed EM=E-mail HHP=HCCS Home Page HL&P=HL&P IC=Internet Connectivity IF=Info center LL= Library NW=Network PSS=PS-Spin PSF=PS-Fin SS=System Support SWB=SW-Bell TE=Telephony											

Week of August 2002		Type	Number of Scheduled Outages	Number of Unscheduled Outages	Number of Closed Incidents	Number of Open Incidents	Scheduled Outage			Unscheduled Outage		
From	To						Hr	Min	Percent Up-time	Hr	Min	Percent Up-time
19/	25	AC							100.0%			100.0%
		DC							100.0%			100.0%
		DE							100.0%			100.0%
		EM		2	2				100.0%	3	45	97.8%
		HHP							100.0%			100.0%
		HL&P							100.0%			100.0%
		IC		1	1				100.0%		29	99.7%
		IF							100.0%			100.0%
		LL							100.0%			100.0%
		NW		3	3				100.0%		37	99.6%
		PSF							100.0%			100.0%
		PSS	1		1		10	56	93.5%			100.0%
		SS							100.0%			100.0%
		SWB			2	2			100.0%	6	59	95.8%
		TE			1	1			100.0%		02	100.0%

Source: HCCS Data Center IT Weekly Availability Report, August 2002.

The format of the weekly and monthly reports is different than the daily report. Weekly and monthly reports show HCCS network and application infrastructure "up time", or percentage of the time when the network/infrastructure is functioning. For example, in **Exhibit 8-13**, IT weekly availability report shows that DE was available 100 percent throughout the week. The IT Department's goal is to minimize the incidents and provide 100 percent availability for its entire network and application infrastructure.

Exhibit 8-14 shows the monthly availability report for July 2002.

Exhibit 8-14
HCCS IT Monthly Availability Report
July 2002

I.T. Availability Report											
2001/2002 Monthly Summary											
Type: AC=A/C Temp Problems DC=Data Center DE=Distance Ed EM=E-mail HHP=HCCS Home Page HL&P=HL&P IC=Internet Connectivity IF=Info center LL=Library NW=Network PSS=PS-Spin PSF=PS-Fin SS=System Support SWB=SW-Bell TE=Telephony											

Month	Type	Number of Scheduled Outages	Number of Unscheduled Outages	Number of Closed Incidents	Number of Open Incidents	Scheduled Outage			Unscheduled Outage		
						Hr	Min	Percent Up-time	Hr	Min	Percent Up-time
July '02	AC							100.0%			100.0%
	DC							100.0%			100.0%
	DE							100.0%			100.0%
	EM		6	6				100.0%	7	29	99.o%
	HHP							100.0%			100.0%
	HL&P							100.0%			100.0%
	IC		1	1				100.0%	25	30	96.6%
	IF							100.0%			100.0%
	LL							100.0%			100.0%
	NW		5	5				100.0%	8	32	98.9%
	PSF							100.0%			100.0%
	PSS	4		4		12	58	98.2%			100.0%
	SS	2	7	9		10	00	98.6%	6	29	99.1%
	SWB	2		2		10	17	98.6%			100.0%

The format of the monthly report is similar to the weekly report. The monthly report gives the IT Department information about the network and infrastructure availability and performance in a longer period of time. While the daily and weekly reports can be misleading due to the day or week long projects that bring the various parts of the network or infrastructure down, the monthly reports are better indicators to measure the overall network and infrastructure availability and performance.

The IT Department provides a better service for its users and creates accountability for its services by documenting and measuring its entire network and application infrastructure using data center verification log sheet and IT availability reports.

COMMENDATION

The Information Technology Department tests and monitors HCCS' network and application infrastructure every half hour, 24 hours a day, in order to respond to and resolve issues with the system.

FINDING

HCCS does not have an active comprehensive network security plan that protects the colleges' servers and confidential data from outside intruders. In case of an attack by an outside Internet intruder, the HCCS servers and network could go down, resulting in an inability to perform academic and administrative functions.

The IT Department has a Network Security Administrator in the Data Networks area, which is part of the Telecommunications and Systems Support group. The main function of this position is to lead the development and implementation of information security architecture policies, standards and procedures for HCCS. In 2000, the Network Systems Administrator put together a security project plan for HCCS. One of the plan initiatives was to establish a committee called the Information Security Advisory Committee, which consisted of administrative staff, information technology staff and members from each college. The committee created a mission statement and a high-level risk assessment for information security at HCCS. The remaining major objectives of the information security plan include:

- defining the security architecture;
- developing an organizational security policy;
- developing and implement a security awareness program;
- evaluating firewalls and recommending a system; and
- implementing a firewall.

In 2000, the Information Security Advisory Committee disbanded and the plan was put on hold because of management changes and major software implementations at HCCS.

HCCS indicated that they took actions such as implementing a firewall and Network sniffer devices, which can capture unauthorized traffic over the network, to provide security for its networks, however

HCCS is still lack of a detail security plan and an internal committee to enforce and update the plan based on the changes and needs of the system.

Network security prevents unauthorized access or attempts to access network and computer systems. Without proper network security, computer systems on campuses can be used as platforms from which to launch attacks on systems on the Internet at large. These incidents represent potential legal liability and could tarnish HCCS's reputation. The loss or corruption of data or unauthorized disclosure of information on research and instructional computers, student records and financial systems could greatly hinder the legitimate activities of HCCS staff, faculty and students.

Security for an IT organization involves four main areas:

- physical security such as door locks, closed circuit video monitoring of security wise sensitive areas;
- network security such as firewalls and intruder sniffing techniques;
- data security such as passwords and user levels; and
- workstation security such as virus protection and passwords.

Stanford University has an Information Security Services group under the university technology department. Although the general purpose of this group is to provide network security for the university, it also deals with issues such as passwords, <http://www.stanford.edu/group/itss-ccs/security/#contact#contact> e-mail spam, e-mail harassment, copyright complaints and operating system specific security issues. According to the Information Security Services group, the goal of an information security program must be to achieve an adequate level of information security relative to the value or sensitivity of the information resources being protected. Stanford University Information Security Services achieves this goal by applying information security measures systematically throughout the organization's computational infrastructure in a way that ensures reliability, redundancy and security to the networks and applications. The layered application of these security measures makes it more difficult for an intruder to reach and compromise the information being secured.

Recommendation 81:

Reestablish the information security committee and update and implement the security plan.

Implementing the security plan will protect HCCS's networks and computer systems from abuse and inappropriate use and will aid in the identification and prevention of abuses of its networks and computer systems.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The director of Telecommunication Services and Support re-establishes the information security committee.	July 2003
2.	The director of Telecommunication Services and Support chairs the committee.	July 2003
3.	The Information Security committee makes an assessment of HCCS security needs.	August 2003

4.	The Information Security committee updates the HCCS security plan based on its assessment.	September 2003
5.	The executive director of IT presents the security plan to the chancellor for review and approval.	October 2003
6.	The director of Telecommunication Services and Support implements the security plan.	November 2003
7.	The Information Security committee meets regularly and updates the security plan as needed.	Quarterly

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 8
MANAGEMENT INFORMATION SYSTEMS

D. Technical Support

Help Desk provides general support for all HCCS users and the End User
Computing group provides technology support for administrative users.
The End User Computing group has two main areas: the Information
Center and Technical Support. The Information Center serves as the Help
Desk for the entire system and its function is to answer technical questions
and solve problems for users on the phone. If a problem cannot be
resolved over the phone, a work order is initiated. The work order system
has four service priority levels: down, gold, silver and bronze. Each
priority level requires a different resolution time frame ranging from
immediate to 16 business hours.

Technical Support, the other arm of the End User Computing group,
includes technicians who are located at each college to provide support for
the administrative computers.

Instructional technology support, which includes support for computer
labs, is provided by instructional technology technicians at each college.
Technicians report to a different administrator in each college. All
technology support staff use work tracking software called Magic for work
order tracking and reporting.

During registration, full-time and part-time staff serve the system in a help
desk support capacity. During this time, calls come not only from staff and
faculty, but also from students.

FINDING

HCCS's End User Computing group does not measure customer
satisfaction or communicate with colleges on a regular basis regarding
their technology support needs and expectations. Although the End User
Computing group is using a work order tracking software application to
measure the performance of its technical staff, it does not use an
assessment tool such as surveys to determine the level of customer
satisfaction among its users. The End User Computing group does not
know how timely, user-friendly and effective its Help Desk and technical
support functions are.

Each college has two technicians assigned to them from the End User
Computing group. These technicians report to a supervisor located in the
central building. During the review team's visit to the Northwest College,

the College Operations Officer (COO) said that she can call the supervisor of the technicians if she encounters a problem and the supervisor is always responsive to her problems; however, she also said that there are no scheduled meetings between colleges and the supervisors so they can communicate ongoing issues. Without scheduled meetings, the supervisor can only react to problems after they occur and cannot prevent problems from happening.

The Information Technology Department of Portland Community College in Oregon has designed a survey to collect information about the knowledge level of their Help Desk staff, the availability of the services and the effectiveness of technical support. The respondents are asked to rate the importance and quality of several items regarding the technical support. They are also asked to indicate their employee category such as faculty or administrator and to assess their skill level with computing technology. This information helps them better analyze the results of the survey.

Alamo Community College has an online survey on its Web site called "How are we doing?" In the beginning of the survey, respondents are asked to choose an area that they are evaluating from among the choices of Help Desk, on-site support, training, programming, network services and mail service.

Recommendation 82:

Create and implement customer satisfaction surveys on Help Desk and technical support services and establish regular meetings between college administrators and the manager of the technical support group.

An assessment tool will help the End User Computing group to measure its Help Desk and technical support services in areas such as user-friendliness, courtesy and quality. Establishing regular meetings with college administrators will help the End User Computing group address issues in a more timely manner and, in some cases, prevent problems from occurring altogether.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The director of End User Computing develops survey questions and establishes monthly meetings between the college operations officers and the manager of the technical support group.	July 2003
2.	The director of End User Computing presents the survey	August

	questions to the executive director of IT for review and approval.	2003
3.	The executive director of IT reviews and approves the survey questions.	September 2003
4.	The director of End User Computing communicates the survey with his staff and the users.	October 2003
5.	The director of End User Computing implements the survey and analyzes the results of the survey.	Monthly
6.	The manager of Technical Support group meets with the college COOs.	Monthly

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 9
COLLEGE AND COMMUNITY RELATIONS

This chapter reviews the community involvement function of the Houston Community College System (HCCS) in the following sections:

A. Community and Alumni Involvement
B. Corporate Training and Continuing Education
C. Marketing and Public Information
D. HCC-TV
E. Public Service
F. Art Galleries

BACKGROUND

College and community relations encompass a broad spectrum of functions that include:

- building partnerships with businesses and organizations in the community;
- using foundations as a means of enhancing and enlarging the programs offered at the institution;
- establishing alumni organizations to keep former students involved with the college system;
- sharing information with the community through the use of printed and electronic communications;
- fostering positive relationships with local media;
- creating a culture that values public service;
- working effectively with governmental agencies;
- involving community businesses and individuals with the college system by offering personal and professional development opportunities through corporate training and continuing education courses and programs; and
- allowing public access to museums and art galleries.

Responsibility for these functions is often dispersed among various departments and employees throughout a college system. Some functions should be a systemwide prerogative, while authority for other functions is more appropriately delegated to the college level where there exists a more intimate knowledge of the respective markets each college serves. A system of checks and balances and clear lines of communication must exist in order for the collaborative efforts of the system and its constituent colleges to result in a truly effective community involvement program.

Chapter 9
COLLEGE AND COMMUNITY RELATIONS

A. Community and Alumni Involvement

Programs of community and alumni involvement are important for the continued advancement of successful and effective community colleges. Effective programs enhance all administrative functions of the institution, including academic programs, workforce initiatives, student services, finance and administration as well as advance the overall mission of the institution. These programs include effective partnerships, an efficient and productive 501(c)3 foundation and an organized alumni relations program. Each requires an investment of competent staff, adequate financial resources, appropriate organizational structure, policies and procedures and an adequate level of administrative priority.

Partnerships

Partnerships are important at community colleges because they provide opportunities to disseminate information, to gather feedback from the community, to generate external support and to maximize the resources of the community for the advancement of the institution. At HCCS, system level partnerships are under the leadership of the vice chancellor for Economic Development.

Partnerships enhance the achievement of the HCCS mission of "offering associate degrees, certificates, academic preparation, workforce training and lifelong learning opportunities that prepare individuals in our diverse communities for life and work." These partnerships contribute to the economic development of the greater Houston community. Many partnerships provide internships, job training and employment opportunities for HCCS students.

At the system level, HCCS has developed numerous successful partnerships with local businesses and corporations, area foundations, government agencies, community organizations and other educational institutions that have enabled the system to achieve systemwide priorities in teaching, learning and facilities improvement.

At each of the five colleges, numerous effective partnerships exist under the primary leadership and coordination of the respective college presidents and their executive teams. For example, at HCCS Southwest, a Memorandum of Understanding signed by the president and a representative of ExxonMobile Upstream Research Company establishes an agreement whereby HCCS will provide facility usage for the

ExxonMobile Nigerian training program. An Interlocal Agreement by and between HCCS Southwest and the City of Stafford allows the city access and use of the television production studio at the Stafford campus in cases of emergencies or for the purpose of broadcasting information to protect the health, safety and welfare of the inhabitants of the city and their property. The 20-year partnership between HCCS and the Houston Fire Department has resulted in HCCS providing Basic Fire Suppression Training and Fast Track Fire Suppression Training for employees of Houston Fire Department at HCCS Northeast and Emergency Medical Services Training at HCCS Southeast.

Effective partnerships provide mutual benefits for all participants. For example, the partnership between the Institute for Excellence at HCCS Southeast and Marriott International, Inc. provided the opportunity for former welfare-to-work clients to be trained and hired for entry-level positions in the industry. A partnership with the Houston Independent School District provided the opportunity for welfare-to-work clients to apply for positions as bus operators. A partnership with the Houston division of H.E.B. provided the opportunity for HCCS Southeast to refer for training and placement recruits for five new stores in the Houston metropolitan area in at least 100 positions ranging from customer service to meat cutter.

HCCS identifies its business partners, corporate and foundation donors and volunteers in a variety of internal and external sources. Among these are the system's Web site, various publications and brochures that are printed and distributed throughout the system and bulletin boards at each of the campuses.

Two of four "themes that have emerged around which HCCS will increase its recruitment activities to ensure a diverse student population" included in the 2001-02 *Recruitment and Retention Plan* involve partnerships and additional resources: "participation with public schools, universities, business and industry and community agencies for the leveraging of resources and energy in accomplishing common goals of increased participation and success by Houston students in higher education" and involve an "intensified search for additional resources (grants, contributions, volunteers, etc.) to help accomplish increased participation and success for Houston students in higher education."

FINDING

The partnership between HCCS and the Health Services Steering committee represents an effort to address the nursing shortage in the Houston community. According to a recent report published by the Community College Times in November of 2002, the American Hospital

Association announced that a nursing shortage struck nationwide with more than one in seven hospitals reporting they are encountering a nurse vacancy rate of at least 20 percent. Their focus is on efforts for recruitment and retention of trained registered nurses. Additionally, hospitals are now trying to cultivate a stronger nursing workforce at the root of community college nursing programs. Moreover, a reported trend has been spreading across the country for the past several years for hospitals to work together with nurse education programs to bring more nurses into the workforce. By providing colleges with the funds to hire new faculty, hospitals are enabling colleges to enroll more students and graduate more nurses, while they adhere to the strict student-faculty limitations set by the national accrediting agency for nursing education.

The Health Services Steering committee, working closely with HCCS for almost two years, is trying to address the nursing shortage in the Houston community by assisting HCCS in expanding enrollment in its nurse education program. The steering committee is composed of the Greater Houston Partnership, the Gulf Coast Workforce Board, which is the local workforce development board, and various hospitals, universities and healthcare-related organizations in the Houston area.

The steering committee approached HCCS and conducted a needs assessment of the college system to see how they can assist HCCS in expanding their nursing student enrollment. HCCS must be committed to expanding the nursing enrollment in order for HCCS to qualify for assistance by the steering committee. Consequently, the steering committee approached the hospitals to recruit nurses to teach at HCCS, and in the fall of 2001 HCCS received two nurse faculty members.

HCCS's nursing program maintains the largest enrollment for an associate's degree for nursing in the Houston region. However, the HCCS associate's degree nursing program needed assistance with their enrollment due to a scarcity in nursing faculty and the funds with which to pay their salaries. The steering committee recognized the problem and took the necessary steps to begin addressing the issue. In 2002-03 the steering committee contributed a $47,920 grant to be used in 2002-03 as hiring bonuses for four new nurse faculty positions in order to entice potential applicants to the position (the total hiring bonus per position will be $10,000 plus $1,980 to be added to the bonus to offset taxation of the bonus amount). A total of $24,000 of this money was given to HCCS in September of 2002 and the remainder will be received in January 2003.

COMMENDATION

HCCS and the Health Services Steering committee are working together to effectively begin addressing the nursing shortage in the Houston community.

Grants

The director of Resource Development oversees the department of Resource Development. The mission of the HCCS department of Resource Development is to support the system and its member colleges in securing external funds and resources from the public and corporate sectors and from private foundations. **Exhibit 9-1** shows the organization of the department of Resource Development.

Exhibit 9-1
Organization of Department of Resource Development
2002-03
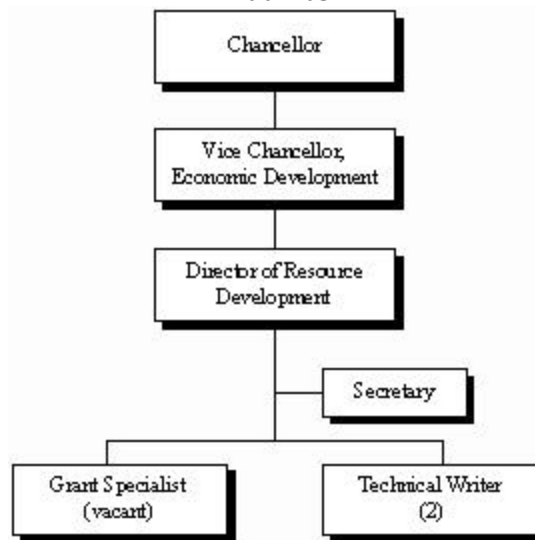
Source: HCCS organizational charts, 2002-03.

FINDING

The HCCS department of Resource Development administers an effective grant writing program that has achieved systemwide priorities in teaching, learning and facilities improvement. The department supports contract and grant writing activities of the system's faculty and staff through all stages of project development, from the initial planning through project completion.

The department of Resource Development publishes a Web page, which includes announcements of grant development seminars, federal funding to two-year colleges, grant opportunities, Title V grant information, online resources for grant writing and online forms. The department has

developed a comprehensive policies and procedures manual, a newsletter, a decision-making matrix and various other forms and procedures for tracking the status of pending grants and contract proposals, for proposal notification and for budget and accounting functions.

The process, policies and procedures of the department, complemented by a lean but efficient staff, represent a model for other colleges. The total budget for the department of Resource Development is $234,770 during 2002-03. The director has maximized the departmental budget, which includes a line item for part-time personnel of $61,000. Two technical writers each work 19.5 hours per week at a rate of $25 per hour. The director has the option to employ the part-time workers up to 39 hours per week as the workload demands.

As a result of the efforts of two part-time technical writers, the department's *Grant Activity Report* for the period of September 2001 through August 2002 documents the receipt by HCCS of $21.5 million in grants and contracts out of a possible $27.1 million for which the department applied. This is the direct result of an efficient and effective grant writing process. **Exhibit 9-2** shows total grant receipts in 2001-02 for HCCS and its peers. The 2001-02 grant receipts for HCCS totaled $21.5 million. This is only slightly less than the total grant receipts for the three peers combined.

Exhibit 9-2
2001-02 Grant Receipts
HCCS and Peers

College	Total Grant Amount
Alamo	$7.5 million
Austin	$9.5 million
Dallas	Unavailable
HCCS	**$21.5 million**
North Harris Montgomery	$5.3 million

Source: Peer data request, 2002.

COMMENDATION

The department of Resource Development has developed and implemented an efficient and effective grant writing program.

HCCS Foundation

The development of an effective non-profit foundation is important for the long-term development of a fiscally strong and successful community college. The budget and percentage of revenue these institutions receive from state funds, county taxes and tuition and fees are often not sufficient to meet the challenges of the mission, strategic plan and priorities of the institution. Additional funding sources must continually be sought.

The executive director of the HCCS Foundation reports directly to the vice chancellor for Economic Development. **Exhibit 9-3** displays the organization of the HCCS Foundation.

Exhibit 9-3
Organization of the HCCS Foundation
2002-03
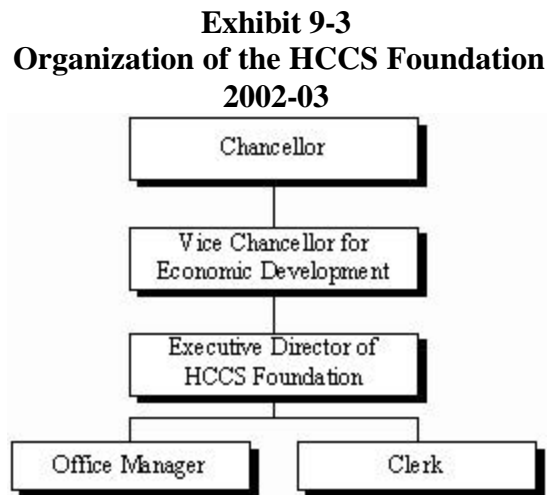
Source: HCCS organizational charts.

The executive director of the HCCS Foundation is responsible for directing the activities of the foundation under the policies developed by its Board of Directors. Two employees report to the executive director: an office manager and a part-time clerk. The office manager and part-time clerk are employees of HCCS and their salaries are paid through the HCCS budget. The position of the executive director of the Foundation was vacated in December 2002. The Board of Directors is appointing a search committee to develop the process, timeline and other such specifications of the search to find a replacement.

FINDING

During the past 10 years, the HCCS Foundation has made significant progress in raising needed funds for HCCS and its students. Revenue has increased from a deficit of $263,000 in 1992 to total net assets in excess of $2 million in 2002.

The HCCS Foundation was established in 1976 as a non-profit corporation. According to the Foundation Articles of Incorporation, the purposes of the organization are to:

- Maintain, develop, increase and extend the facilities and services of the Houston Community College System and to provide broad educational opportunities to its students, staff, faculty and the residents of the geographical area which it serves;
- Solicit and receive by gift, grant, devise or otherwise, both real and personal property, either as absolute owner or as trustee thereof, and to manage and administer the same; and
- Make contributions, grants, gifts and transfer of property, both real and personal, either outright or in trust, to or for the benefit of the Houston Community College System, or to or for the benefit of other organizations identified and associated with the Houston Community College System, which are tax exempt organizations, pursuant to Section 501(c)(3) of the Internal Revenue Code of the United States of America and acts amendatory thereof or supplementary thereto.

The foundation's major objective is to provide scholarships to students in need. Scholarship money is raised primarily by special events such as the Rudy T Annual Golf Tournament, an event hosted by Rudy Tomjanovich, the head coach of the Houston Rockets professional basketball team and from a small number of area foundations and corporations, such as the George Foundation and the Houston Endowment. Other annual contributors to HCCS scholarships through the foundation include Barnes and Noble, Inc. and the McDonalds Corporation.

The assets of the HCCS Foundation are managed by a professional financial trust asset advisor. An independent external audit is performed each year by the HCCS independent audit firm and legal issues are reviewed by a law firm. All checks in excess of $1,000 require the signature of two of three pre-approved and authorized check signers.

The HCCS Foundation Web page lists the major donors to the foundation. The donors listed are:

- Barnes and Noble Bookstores
- Exxon & Co., USA
- Houston Livestock Show & Rodeo
- Houston Radiological Society
- Loupot's Bookstore
- Pennzoil Co.
- San Jacinto Alumni Association
- The Amoco Foundation

- The George Foundation
- The Hold'Em & Hit'Em Club
- The Rockwell Fund, Inc.
- The Shell Oil Foundation
- The Tomjanovich Foundation

A planning workshop, held in August 2002, resulted in the development of a new statement of mission and purpose, a strategic plan for the HCCS Foundation from 2002 to 2005 and revised bylaws. A member of the HCCS Board of Trustees serves as a liaison to the HCCS Foundation. The chair of the board of the foundation, along with the chancellor and the board liaison, are identifying prospective new members, organizing a new committee structure and identifying short-term goals and objectives. A long-term plan is to implement a capital funds campaign with a goal of generating approximately $30 million. This campaign is the first of its kind in the history of HCCS.

COMMENDATION

The HCCS Foundation has made significant progress in securing funds to advance HCCS and to provide scholarships for students in need.

FINDING

HCCS has not developed an agreement between the system and the HCCS Foundation that defines the responsibilities of each party. The board policy on fundraising, adopted by the Board of Trustees in July of 2002, calls for the development of such an agreement. As a result of the agreement not being developed, the responsibilities and accountability of all parties have not been clarified, a foundation for the recruitment of new board members has not been established and a feasibility study for the system's first capital funds campaign has not been developed.

Board policy requires the foundation to have an independent Board of Directors who manage the affairs of the foundation, including setting policy and other discretionary responsibilities and represent the system in soliciting and administering funds that are not available from the State of Texas, ad-valorem taxes, tuition and local, state and federal grants. The foundation is responsible for soliciting financial support that serves the following purposes:

- student scholarships: financial assistance awarded based on the needs of the students or as requested by donors;
- capital campaigns: funds to support construction of facilities;

- employee and student enrichment: use of endowment funds, endowed chairs, sabbaticals and other opportunities for professional development of HCCS employees; and
- endowed funds: donor directed funds towards specific needs, spending only the interest earned from the principal.

A board approved policy for Austin Community College (ACC) requires that a relationship between ACC and the foundation be governed by a formal Memorandum of Understanding. The Memorandum of Understanding represents a formal agreement between the Board of Trustees of ACC and the Board of Directors of the Foundation on items such as the role of the foundation in soliciting contributions and providing funds for the use and benefit of ACC and its students; the requirement of the foundation to support the mission of ACC; and the functions of the foundation, which include the securing, holding in trust and administering of funds for the benefit of ACC and its students.

Recommendation 83:

Develop a Memorandum of Understanding between HCCS and the foundation that defines the responsibilities of each party.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The Board of Directors of the HCCS Foundation and the vice chancellor for Economic Development develop a formal agreement that defines the responsibilities and accountability of the HCCS Foundation and of the system and submits it to the chancellor for approval.	July 2003 - November 2003
2.	The chancellor reviews the draft of the agreement and submits it to legal counsel for review and revision.	December 2003 - March 2004
3.	The chancellor submits the final Memorandum of Understanding to the Board of Directors of the Foundation and the Board of Trustees of HCCS for approval.	April 2004 and Annually

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

Despite significant advancements in revenue over the past 10 years, the HCCS Foundation remains dependent upon the college for funding most of its staffing and operating costs. The total amount funded by HCCS for

the Foundation during 2002-03 was $154,488, which provides salaries and expenses for two full-time staff positions and a temporary clerical support person, operating expenses such as printing and postage, office furniture and equipment and general repair and maintenance costs. **Exhibit 9-4** shows the main budget categories along with their respective dollar amounts for 2002-03.

Exhibit 9-4
HCCS Foundation
2002-03 Budget Expenditures

Category	Amount
Salaries and wages	$127,460
Supplies and general expense	$9,864
Printing	$2,000
Postage	$2,000
Employee travel	$2,700
Repair and maintenance	$180
Office furniture and equipment	$1,800
Computer hardware	$8,484
Total	**$154,488**

Source: HCCS Budget Request for Fiscal Year, 2002-03.

Launching a capital funds campaign to raise money for administrative overhead and personnel costs associated with running a foundation can be a challenging task. Donors typically do not like to contribute much, if anything, to overhead since the purpose of the foundation is to raise scholarships for students and funds to support other educational purposes of the institution.

The San Jacinto College Foundation is working to become financially independent from the college, as are a number of community college foundations around the country. The San Jacinto College Foundation initiated a capital campaign, "Beyond 2000 - Tomorrow's Education", with a working goal of raising $3 million and a challenge goal of raising $4 million over three years. The funds generated through the capital campaign will be allocated towards scholarships, technology, and faculty and staff development.

The results of a survey completed in 2000 by the Council for Resource Development regarding how community college foundation operations are funded show that, out of a total of 36 community colleges surveyed, three pay no expenses for their foundations and the foundations are completely self-supporting; 29 share expenses between the college and the foundation; and four community colleges pay all staff and expenses. The 29 colleges and foundations that share expenses maintain the following arrangements:

- 19 colleges pay all staff and overhead, but the foundation pays for direct costs including audit and solicitation expenses.
- three colleges pay for the director, but the foundation pays for support staff and direct expenses.
- one college pays for operating expenses, but the foundation pays staff costs.
- three colleges pay for all staff and expenses but receive an annual fee from the foundation ranging from $17,000 to $51,000.
- three colleges pay a percent of expenses, and the foundation pays the balance. For example, a college may pay 80 percent leaving the remaining 20 percent to be paid by the foundation.

Recommendation 84:

Eliminate HCCS Foundation dependency on HCCS for its administrative and operating expenses.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The executive director of the HCCS Foundation develops a capital campaign plan to raise funds for student scholarships, capital construction, employee and student enrichment and endowed funds to eliminate its dependency on HCCS for funding its administrative expenses.	July 2003
2.	The executive director of the HCCS Foundation surveys other foundations for best practices.	July 2003
3.	The executive director of the HCCS Foundation begins fundraising efforts for its capital campaign and monitors the results.	August 2003
4.	The executive director of the HCCS Foundation continues fundraising efforts annually.	May 2004 and Ongoing

FISCAL IMPACT

The fiscal impact to HCCS includes the administrative expenses of the
HCCS Foundation's 2002-03 budget, a total of $154,488.

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08
Eliminate HCCS Foundation dependency on HCCS for its administrative and operating expenses.	$154,488	$154,488	$154,488	$154,488	$154,488

Alumni Relations

Alumni relations programs are important at community colleges because
they provide networks whereby the institution can build rapport and
connections among former students as mentors and role models, lifelong
learners, volunteers, donors and advocates for future bond initiatives.
Moreover, an organized program of alumni relations provides the human
resources for the ongoing assessment of the effectiveness of the institution
and its programs and services.

FINDING

Minimal attention and priority have been devoted to the development of
an effective and efficient program of alumni relations at HCCS. An
adequate job description of the duties and responsibilities of the staff
person assigned to the alumni relations program at HCCS does not exist,
nor a database of alumni or former students. At most community colleges,
alumni relations programs are underdeveloped and the potential for their
resourcefulness is unrealized.

A modest program does exist at HCCS, which was established under the
leadership of the former chancellor in 1999. A staff person was assigned
responsibility to begin the development of an alumni association under the
vice chancellor for Institutional Development. This staff person has the
responsibility to manage both the alumni relations program and the
program for retirees. The program budget is approximately $5,000 per
year. As a result, accomplishments and results have been modest. In
December 2002, the chancellor reassigned the reporting responsibility of
the alumni relations program to the division of Economic Development.

The staff person assigned to alumni relations has worked at the system for
nine years. She carries the title of office manager and supervises programs
for alumni and retirees. She does not have a detailed job description of her
duties and, under her former assignment with the vice chancellor for
Institutional Development, performed functions as assigned by the vice

chancellor. She reported to the review team that her duties and assignments during 2001-02 included the following:

- keeping the vice chancellor abreast of department issues;
- responding to correspondence, e-mail and phone requests of alumni and retirees;
- providing clerical office support;
- organizing events as assigned;
- drafting correspondence;
- mailing out catalogs and alumni information;
- maintaining agency account for alumni and retirees;
- submitting nominees for 2003 Outstanding Alumni Awards;
- drafting billing correspondence to collect membership dues from alumni and retirees;
- updating the Web site with alumni success stories; and
- maintaining current e-mail addresses for alumni.

While these accomplishments have advanced HCCS and its alumni relations program, they do not represent an effective annual program or demonstrate a comprehensive assignment of duties and responsibilities for an Alumni Relations director. Absent in the list above are the responsibilities for managing a departmental budget, maintaining an alumni database and raising any specific goal of alumni contribution dollars.

Exhibit 9-5 lists comments received during the TSPR public forum regarding the alumni program at HCCS.

Exhibit 9-5
TSPR Public Forum Comments
Alumni Involvement

Public Forum Comments
• There is no alumni involvement. • We need more alumni involvement. • HCCS seems to have no alumni support. • Alumni involvement needs to be increased. • I am not aware of much alumni involvement. • More attention needs to be given to listing all the graduates from each department each year, as well as where they transfer and/or what jobs they acquire.

Source: TSPR public forum comments.

An effective annual program of alumni relations for HCCS should include the development of an adequate job description of the duties and responsibilities of an Alumni Relations director and the designation of adequate financial resources to develop an effective annual program. The duties of the Alumni Relations director should include the assignments to develop a database with increasing numbers of alumni and former students, to publish and distribute a periodic newsletter for alumni and friends and to initiate an annual campaign for unrestricted funds for scholarships. The Alumni Relations director should work closely with the executive director of the HCCS Foundation.

The review team recognizes that maintaining an accurate database of alumni and former students of a community college is a formidable assignment. Students move about frequently and change their address and often do not inform the system. Moreover, many community college students transfer to four-year institutions and transfer their loyalty accordingly to colleges and universities that are more experienced in establishing and maintaining effective alumni relations. Nevertheless, several community colleges around the country realize the impact alumni can have on the advancement of their respective institutions and have established alumni programs.

According to a November 2002 article in the Community College Times entitled, *Alumni: A Valuable Resource*, the Monroe Community College (MCC) in Rochester, New York established a model to increase alumni involvement in college life and its annual fund under the direction of the president of the MCC Foundation and the director of Alumni Affairs. At MCC, alumni constitute one quarter of the Board of Directors of the MCC Foundation, which, according to the director of Alumni Affairs, heightens their sense of connection to the college. The MCC alumni program sponsors three significant events each year: an annual golf tournament; the Dinner of Excellence, which recognizes distinguished alumni; and the Gold Star dinner and auction. Alumni of the college have direct involvement in planning the events and deciding where to best apply the resources the events collect. According to the article, approximately 36 percent of the alumni who are solicited contribute funds to the to the college's annual fund through the MCC Foundation.

The president of the MCC Foundation offers four suggestions on how to involve alumni in college and foundation activities:

- keep track of successful alumni, celebrate their success and use that information to inspire students;
- establish an alumni committee and give them representation on the Board of Directors;

- hire a director of Alumni, who will focus on building communication with alumni, especially through the Web; and
- recognize that today's students are tomorrow's alumni: involve students now and they are more likely to stay connected and supportive.

According to an article in the Educational Resources Information Center (ERIC) Clearinghouse for Community Colleges, entitled Targeting Community College Alumni in Fundraising, the County College of Morris (CCM) in New Jersey developed a plan to improve their enrollment, resource development and image through marketing efforts involving their alumni. Their first alumni drive raised over $10,000 and secured a donation of computer equipment worth $100,000. The key points in their strategy were to:

- encourage enrollment by featuring five successful alumni in advertising each year, emphasizing how they got their start at CCM;
- feature alumni as stars in media coverage and advertising to increase their willingness to participate in and donate to an annual alumni fund drive;
- encourage alumni to begin Alumni Clubs at their businesses in an effort to solicit corporate contributions and boost contributions from individual alumni by increasing their sense of pride in and identification with the college; and
- create pride in the college for both current and former students by linking the possibility of future success in life with attendance at CCM.

Recommendation 85:

Develop an effective and efficient alumni relations program.

HCCS should develop a job description with the duties and responsibilities of an Alumni Relations director and management goals to increase the number of alumni involved in the life of the system as donors and volunteers should be established. The progress of the program, in terms of an increase in the number of volunteers and amount of contributions, should be annually assessed.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The vice chancellor for Economic Development and the office manager in the office of alumni and retirees meet to establish a plan of action to develop a program of alumni relations for HCCS.	July 2003

2.	The vice chancellor for Economic Development reviews best practices among community colleges and among four-year colleges and universities to develop models of effective alumni relations programs.	July 2003
3.	The vice chancellor for Economic Development develops a job description of duties and responsibilities of a Alumni Relations director.	August 2003
4.	The vice chancellor for Economic Development gives the job description to the incumbent office manager and charges the office manager with the responsibility of performing the duties and responsibilities of the Alumni Relations director.	September 2003
5.	The vice chancellor for Economic Development assesses progress to date in accomplishing the management objectives of increasing the numbers of alumni donors, volunteers and dollars and developing a database of alumni, former students and friends.	May 2004 and Annually

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 9
COLLEGE AND COMMUNITY RELATIONS

B. *Corporate Training and Continuing Education*

Offering a Corporate Training and Continuing Education (CTCE) program is an important part of the community involvement function because it allows a community college to involve businesses and individuals in the community with the college system by providing personal and professional development opportunities. Continuing education courses provide lifelong educational opportunities for community members of all ages and interests. Corporate training courses offer customized solutions to the ever-changing training needs of area businesses.

Offering corporate training and continuing education programs and courses are particularly beneficial for a college system like HCCS that serves such a large and diverse business market. Houston is Texas' biggest city, the fourth largest city in the nation and home to 18 Fortune 500 companies. Houston is also home to the Johnson Space Center and the Texas Medical Center, the largest medical center in the world. Employees of all credentials, backgrounds and industries can reap the benefits of continuing education. The businesses that employ them can benefit from flexible and responsive customized training courses that offer exactly what the company needs, at a time and a method of access that is convenient for the employees and at a lower cost than they could offer the training in-house.

The purpose of the CTCE program at HCCS is to provide lifelong learning, occupational skills training and professional development through affordable and accessible education; workforce skills development; customized training; continuing education; workforce literacy; corporate services; personal enrichment opportunities; community outreach; comprehensive student support services and an environment conducive to learning.

The executive director of Corporate Training and Continuing Education (CTCE) provides programmatic oversight for the systemwide CTCE program. Four positions report directly to the executive director of CTCE at the system office: an office manager, the director of Workforce and Continuing Education, the director of Outreach Services and the director of ACT/Online Continuing Education. A documentarian reports to the director of Outreach Services and an office manager reports to the director of the ACT/Online Continuing Education.

There is an informal reporting relationship between the executive director of CTCE at the system level and the directors of CTCE at each of the colleges. The directors of CTCE are in charge of the CTCE programs offered at their respective colleges and report to their college's dean of Workforce Development. The reporting relationships between the directors of CTCE and the system office and the reporting relationships between the directors of CTCE and their colleges are displayed in **Exhibit 9-6**.

Exhibit 9-6
Organization of CTCE Program
2002-03
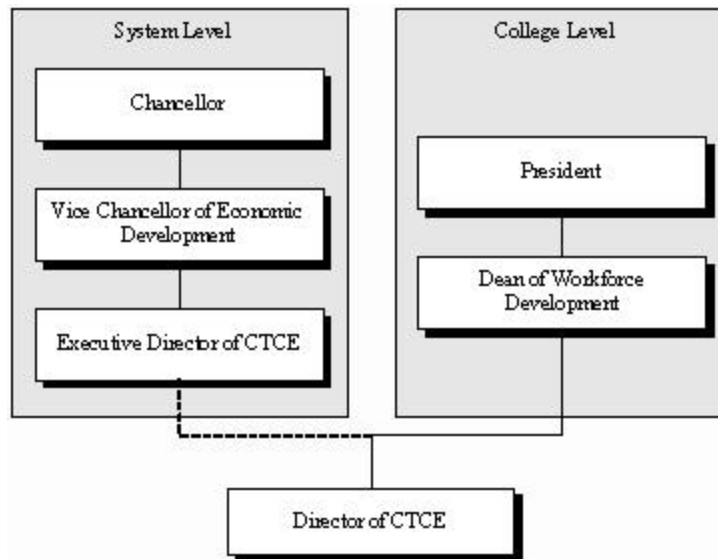
Source: HCCS organizational charts, 2002.

The directors of CTCE meet with the executive director of CTCE twice a month in the Director's Council meetings to discuss new courses, pricing of courses, catalog development and changes in the Workforce Education Course Manual (WECM). The WECM is a statewide inventory of workforce education courses for public two-year colleges. The WECM was developed by the Texas Higher Education Coordinating Board (THECB) in an effort to meet state needs for high quality and consistent workforce education. The manual contains a catalog of course descriptions and specifies for each course the minimum and maximum number of contact hours; semester credit hours and/or continuing education units (CEU) and minimum learning outcomes. The WECM is particularly useful when a college system wants to create a new continuing education course or program because it allows the college to avoid the struggle of starting from scratch.

The system CTCE office is operating on a $336,758 budget during 2002-03. **Exhibit 9-7** shows the main budget categories along with their respective dollar amounts for 2002-03.

Exhibit 9-7
System CTCE Office
2002-03 Budget

Category	Amount
Salaries and wages	$303,078
Supplies and general expense	$16,830
Publications	$1,500
Brochures and advertising	$2,300
Postage	$500
Employee travel	$6,400
Repair and maintenance	$500
Furniture and equipment	$450
Other expenses	$5,200
Total	**$336,758**

Source: HCCS Budget Request for Fiscal Year, 2002-03.

Exhibit 9-8 displays the budgets for the college-level CTCE programs.

Exhibit 9-8
College CTCE Programs
2002-03 Budget Expenditures

Category	Central	Northeast	Northwest	Southeast	Southwest
Payroll	$491,300	$197,362	$625,680	$563,721	$829,136
Other expenses	$197,350	$44,575	$93,550	$163,250	$283,123
Total	**$688,650**	**$241,937**	**$719,230**	**$726,971**	**$1,112,259**

Source: HCCS Budget Request for Fiscal Year, 2002-03.

The budgets for the five colleges vary due to the fact that each college establishes its own contracts with companies and organizations in their service area. Variations in the number and types of contracts established

leads to variations in the corporate training programs offered at the colleges. As a result, the colleges require different levels of monetary resources to support their programs.

New courses are regularly added to meet the changing needs of the HCCS community. HCCS has a formal process in place that is used by the institution to identify and create new continuing education courses. Courses are identified through many sources including input from advisory boards at the colleges; identification of need by business or industry professional organizations; identification of need by state and federal sources such as Texas Workforce Commission reports, a targeted occupations list by Workforce Board and Department of Labor reports; requests for customized training from various companies; and review of classified ads for local employment trends.

The system also uses a variety of evaluation tools to assess program effectiveness. At the end of each CTCE class, students are provided the opportunity to evaluate the class. Results of the evaluation are used to make changes in the curriculum and instruction. The director of CTCE or appropriate designee observes each instructor in the classroom at least one time each semester. The instructors are also evaluated using an Instructor Observation/Evaluation form. A Class Review form provides feedback from students for the instructor.

FINDING

The CTCE program at HCCS offers a wide variety of courses through its Corporate Training and Continuing Education program. The program includes personal and professional continuing education courses as well as customized corporate training courses. The continuing education classes provide opportunities for personal development like golf and Tai Chai as well as professional classes like CISCO I and various certification courses. HCCS also works with businesses in the community to develop customized training courses that meet the exact training needs of the business. The corporate training program benefits HCCS by increasing program participation and college enrollment, but also helps businesses by giving them the ability to outsource their training needs.

The personal continuing education classes are referred to as Continuing Education Courses (CECs). The professional continuing education classes are referred to as Continuing Education Units (CEUs). CEUs are further divided into a CEU course or a CEU program. Each CEU has a designated number of contact hours, which represents the total number of instruction hours given to the students enrolled in the class. A CEU course ranges from seven to 359 contact hours. Once a CEU course reaches 360 contact hours in length, it must be approved as a certificate program by the

THECB. A CEU program that meets or exceeds 780 contact hours of instruction must be converted to Semester Credit Hours (SCH) and may no longer be offered as a CEU. CEUs are recognized internationally as a measure of professional education and training. One CEU is worth 10 contact hours of successful participation and completion of an organized continuing education experience under responsible sponsorship, capable direction and qualified instruction. The CEUs are not substituted for credit hours but, rather, are a means of reporting continuing education activities. Several professions require completion of CEUs including accountants, lawyers, financial planners and insurance agents in order to maintain certification or to be recertified.

Exhibit 9-9 lists some of the professional and personal classes offered through the CTCE program at HCCS.

Exhibit 9-9
Sample Course Offerings
Fall 2002

Professional	
PeopleSoft on Campus	A+ Certification
Introduction to Mediation	HTML and Web Page Design
Conversational Spanish I-IV	Grant Writing
CPS Review: Finance and Business Law	Private Pilot Ground School
Medical Office Procedures	Substitute Teacher Training
Beginning and Advanced Insurance Coding	Certified Nurse Aide Refresher
Real Estate Recertification and Ethics	Real Estate Exam Review
CISCO I	Spanish for the Dental Office
Advanced Drapery and Bedspread Making	Troubleshooting and Maintaining PCs
Beginning AutoCAD	Fundamentals of Tax Prep
Personal	
After 9/11: What to do when Disaster Strikes	Recording Contract Basics for the Musician
Financial Planning for Successful Retirement	Entertainment Law Made Simple

Tai Chi	Latin Dance
TASP Review	The Dances of Brittany, France
GED Review	Issues in Elder Care: Treatment Considerations
Book Club at Central Campus	Managing Cash Flow and Record Keeping
Citizenship	Internet and the Web for Seniors
Yoga for Every Body	Golf
Customer Service for the New Millennium	Genealogy on the Internet
Writing Articles for Magazines or Journals	Building a Financial Foundation

Source: HCCS Systemwide Schedule of CTCE Classes, Fall 2002.

TSPR telephone survey results reveal that a majority of survey participants feel HCCS does a good job of serving business community needs: 72.1 percent of respondents strongly agree or agree that HCCS does a good job of serving the business community's training and education needs; almost 65 percent strongly agree or agree that HCCS works effectively with the business community; 59.3 percent strongly agree or agree that HCCS responds to changes in the economy or the business community's needs; and 58.3 percent strongly agree or agree that HCCS programs help attract new companies and jobs to the Houston area. The results are calculated based on responses from the 750 telephone interviews conducted with adult residents in the HCCS tax district, which is comprised of the Houston, Stafford and Missouri City ISDs. The chart in **Exhibit 9-10** shows the percentage of respondents that agreed or strongly agreed with each survey question.

Exhibit 9-10
Survey Responses

HCCS Does a Good Job of Serving Business Community Needs
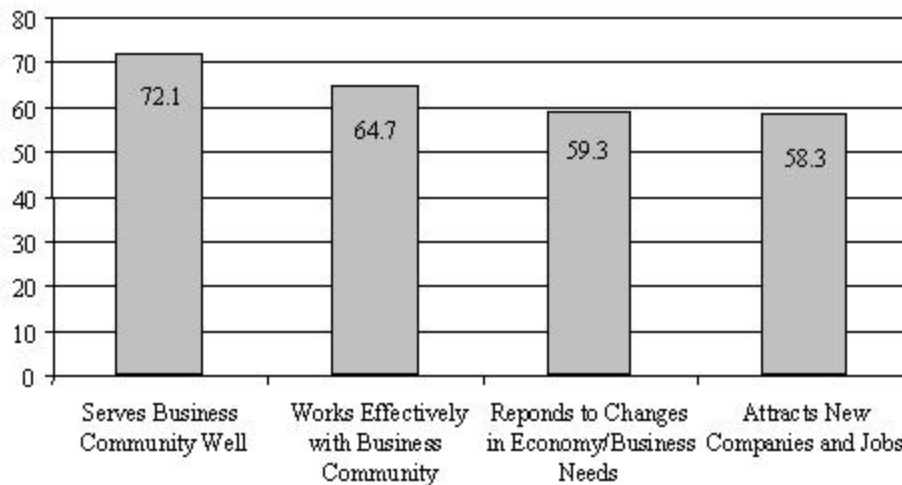
Source: Telesurveys Research Associates.

COMMENDATION

HCCS responds to the needs and interests of both the community and area businesses by providing a wide array of corporate training and continuing education classes.

FINDING

The Outreach Services advisory board is an effort by the Outreach Services program at HCCS to involve the business community in the development of the CTCE program. The director of Outreach Services oversees the Outreach Services program and reports to the executive director of CTCE. The Outreach Services program was initiated in February 2001 as a means of coordinating and collaborating with the 34 Gulf Coast Careers One-Stop Centers for programs such as the Workforce Investment Act (WIA), Trade Adjustment Act (TAA) and several other programs and services. The system staff of the CTCE program recognized an opportunity for serving the hundreds of people that visit the Houston area career centers each year. Essentially, the Outreach Services can be in immediate contact with the career center customers, help them identify training needs, help them receive funding assistance for institutional certificate programs offered at HCCS and assist the students with the registration process at the college.

Outreach Services also works with business and industry to help companies secure grant funding for employee training through the Texas Workforce Commission (TWC). Outreach Services assists in the

marketing and outreach of CTCE to the businesses, industries and community-based organizations in the greater Houston area.

The staff of the Outreach Services program has continually worked on the program to improve its overall efficiency and effectiveness, with one of these improvements being the creation of the Outreach Services advisory board. While some workforce advisory committees are a requirement of the THECB for program development and evaluation, the Outreach Services advisory board is not a requirement. Rather, the advisory board is an approach to involving the business community in the betterment of the CTCE program offered at HCCS.

The advisory board includes representatives from businesses and organizations in the Houston area. This advisory board was formed with the philosophy that success of any workforce development system depends largely on a strong business and education linkage. The advisory board meets in February, April, August and November each year. The objectives of the board are to:

- provide referrals to HCCS programs and services to increase enrollment;
- provide information, recommendations and advice about programs and services;
- assist HCCS in identifying "real world" training needs of various industry clusters;
- provide information on the various funding streams for potential and incumbent students;
- identify other business and community leaders to serve as resources for classes and expand the learning experiences for faculty and students;
- identify business and industry trends and issues that may have an impact on education or training delivery; and
- identify community resources and supportive services that will ensure successful student performance outcomes.

COMMENDATION

The Outreach Services advisory board works to involve the business community in the development and continuous improvement of the Corporate Training and Continuing Education program.

FINDING

The systemwide CTCE schedule of classes is not user-friendly. Each college has their own individual CTCE schedule of classes. In addition to these schedules, there is a consolidated listing of all classes offered at each

of the five colleges, the systemwide CTCE schedule of classes. Some classes and certification programs, like A+ Certification, are offered at all five colleges. Other classes and certification programs, like the Agricultural Services Technician Certificate Program, are offered at only one of the colleges.

The directors of CTCE at each of the five colleges are responsible for entering CTCE course information into the ERP system. This information is extracted from the ERP system to produce the systemwide schedule of classes. Course information for each college is then extracted from the systemwide schedule of classes to produce the individual college schedule of classes. The college schedules have the same cover and general layout as the systemwide schedule of classes and are printed in black and white, with one identifying color that differentiates the schedules. For example, the color used by the Central College on the cover and throughout the schedule is red, and the color used by the Northwest College on its cover and throughout the schedule is green.

The systemwide schedule is divided into three parts: course descriptions, a listing of the CEUs offered at each campus and a listing of the CECs offered at each campus. All of the CEUs and CECs offered throughout the system are grouped into categories. For example, the Floral Design I, Interior Decorating and Sewing I classes are grouped under Design, Decorating and Sewing. **Exhibit 9-11** lists the categories in the fall 2002 schedule of classes.

Exhibit 9-11
Categories of CTCE Classes
Fall 2002

• Agriculture	• Financial Planning
• AutoCAD	• Foreign Languages
• Business	• Gerontology
• Cisco	• Horticulture
• Communications	• Job Skills
• Computer Hardware	• Landscaping

• Computer, Internet and Webpage Design	• Law
• Computer Education for Seniors	• Licensure and Certifications
• Computer Networking	• Management
• Computer Programming	• Massage Therapy
• Computer Skills	• Medical and Dental Office
• Construction/Building Technology	• Medical Record Technology
• Counseling	• Nursing and Nursing Aide
• Custom Tailoring and Textiles	• Enrichment
• Design, Decorating and Sewing	• Production, Film and Cinematography
• Desktop Publishing	• Real Estate
• Emergency Medical Services	• Small Business
• English as a Second Language	• Test Preparation and Study Skills

Source: HCCS Systemwide Schedule of CTCE Classes, Fall 2002.

The course description section is relatively straightforward. The category name is listed with each of the classes belonging to that category beneath. The description includes the official class title, the course abbreviation and number and a brief description of the class with minimum learning requirements.

The next section, which contains the listing of CEUs and CECs by campus, names each campus with the address and phone number of the campus and lists each of the classes offered at that campus. Each class is listed by category, including the day of the week the course is scheduled,

the time of day, the location of the class, the beginning and end date, the number of hours and the total fee for the class.

Each college in the system has two or more campuses at which classes are conducted. For example, the Southeast College conducts classes at the Eastside Center and the Health Science Center, and the Northwest College conducts classes at three campuses: Cinco Ranch, the Town and Country Center and the Westgate Center. In the consolidated catalog, the classes offered at each of the campuses are not grouped by college. For example, the classes offered at the Eastside Center and the Health Science Center are not grouped under a Southwest College heading. If the user is interested in classes offered through the Southwest College, he or she must read the entire schedule in order to identify the classes offered at each of the Southwest College campuses. In addition, one of the campuses is listed as Southeast-Off Campus without any indication of the off-campus location at which the class will be conducted.

There are two errors found in the fall 2002 course schedule. First, some of the classes have descriptions included in the course description section but they are not included in the schedule section. For example, *Intercultural Etiquette: A Workshop on Manners and Mannerisms in a Multicultural Society* has a description but is not listed as being offered anywhere in the schedule section. Second, the schedule section has ITCC 1006 listed with a course title of CISCO III; however, the description of classes names the abbreviated CISCO III as ITCC 1042.

The systemwide schedule of classes does not provide an index. If the reader is interested in finding a particular class in the catalog, they must peruse each individual page until the course is found.

The corporate and continuing education course schedule for North Harris College, a North Harris Montgomery Community College, has several characteristics that make it user-friendly. First, the schedule has a table of contents with the page number on which each of the main course categories begins, as well as the page number on which each of the classes that belong to the category are found. Next, the schedule has a chart that lists certificate programs along with the required courses for that certificate, course numbers, contact hours, course fees, page number on which that course is found, and the occupations that require the certificate. Third, the schedule section provides the main course category and lists the courses that are classified under that category with their description beneath. Immediately following the descriptions is a listing of the location(s) at which each course is offered, beginning and end date, and day of the week and time the course is offered. Finally, the schedule includes an alphabetical index that allows the reader to look up a particular course and find the page number on which the course is found.

Recommendation 86:

Redesign the systemwide Corporate Training and Continuing Education class schedule to make it easier to use.

Redesigning the schedule to include a table of contents and index, and changing the layout of the catalog to put the course schedule directly beneath the description of the course are some of the changes that will make the CTCE schedule of classes more user-friendly.

Although the college-level schedules are extracted from the systemwide schedule of classes and the two schedules share the same general layout, the college-level schedules are brief enough that a table of contents, index and change of layout are not necessary. The systemwide schedule contains much more information since it is a consolidation of all classes offered at all five colleges. Therefore, an index, table of contents and change of layout are necessary to make the information contained in the schedule easier to use.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The executive director of CTCE directs the directors of CTCE to thoroughly read the CTCE schedule of classes and generate their comments on the items that hinder the schedule from being user-friendly.	July 2003
2.	The executive director of CTCE schedules a special Director's Council meeting devoted to discussing the comments of each of the directors of CTCE to identify the specific areas of the schedule that need to be redesigned.	August 2003
3.	The executive director of CTCE and the directors of CTCE research CTCE schedules of other community colleges to identify best practices.	September 2003
4.	The executive director of CTCE schedules a special Director's Council meeting devoted to discussing the best practices and how they can be incorporated in the HCCS schedule of classes for CTCE.	October 2003
5.	The executive director of CTCE and the directors of CTCE agree on the redesigned layout of the of the CTCE schedule of classes.	November 2003
6.	The executive director of CTCE follows standard procedures for printing the CTCE schedule of classes for the newly redesigned schedule.	December 2003

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

The CTCE program at HCCS is often an afterthought in matters of planning, budgeting and class scheduling. Only one goal for the CTCE program was included in the 2000-03 strategic plan: to expand the review process to include distance education and continuing education. Goals for CTCE programs are minimally represented, if at all, in the component plans, which are reviewed and revised as part of the strategic planning process. Component plans include the Financial Plan, Educational Plan, Facilities Plan, Technology Plan and the Recruitment and Retention Plan.

As part of the HCCS annual budget process, the directors of CTCE submit their budget requests to their college's workforce dean and president where their budget is considered along with the budget requests for all other operational units at the college. The workforce dean and president develop, based on the requests, the college's annual budget request which is submitted to the chancellor's executive team for review and discussion. The directors of CTCE compete with the credit department and other operational units at the college for the money it receives as part of the budget process.

The lack of space for CTCE classes is an ongoing and unresolved issue. Only 18 percent of the CEUs listed in the fall 2002 CTCE catalog have a designated location. The others have To Be Announced (TBA) as the location. Out of the 49 CECs listed, only eight have a designated location. Scheduling CTCE classes is second priority to the scheduling of credit courses. The scheduling of CTCE classes is determined by the availability of space and time after the scheduling of credit courses is complete.

The THECB On-Site Review of HCCS, conducted in February and March of 2001, cites the following observations as they relate to the resources available to the CTCE program:

- staffing, classroom space and equipment are a challenge to the provision of quality and quantity of the CTCE program at Central College;
- a deficiency in the area of computer laboratory resources for CTCE and Workforce Development at the Northeast College exists, and many classes could not be offered as a result of the shortage;
- the adequacy of facilities for the CTCE program at Northwest College is questionable;
- lack of professional staff in the CTCE program at Southeast College is the limiting factor affecting the future growth of the contract training service; and

- the HCCS 2000-03 strategic plan is primarily geared towards credit instruction and it is a concern that only brief mention of non-credit programs is made.

The system CTCE office developed and implemented an annual program evaluation process that is conducted at each college. These college evaluations were implemented in 2001 to address the need for a program evaluation to guide the overall management and development of the college CTCE functions. A systemwide task force consisting of the college presidents, directors of CTCE, Workforce Education deans and representatives from finance, marketing and student services was convened on December 2001. Guided by an external consultant, the committee reviewed the college evaluations and developed a five-year business plan. This plan includes benchmarks, such as revenue generated, contact hours, enrollment and facility needs. The directors of CTCE will review the plan annually and make recommendations to the presidents regarding budgetary requirements and other management responsibilities. The business plan clearly articulates the needs of the CTCE program, one of which is to "assure adequate resources and facilities."

HCCS faces competition with other institutes of higher education that offer CTCE programs. Houston is home to more than 40 colleges, universities and institutions of higher learning and must strategically market itself to be appealing to interested individuals and businesses in the Houston area.

Southwest Missouri State University (SMSU) has placed a high priority on its continuing education program. The College of Continuing Education has its own dean with responsibility for continuing education programs and services. According to a message from the dean on the college's Web site, SMSU is "proud to be part of a university that places high priority on moving beyond the ivy walls of academia to reach out and serve the educational needs of [the] community and region." As a result of SMSU's high priority on continuing education, the program is continually one of the fastest growing organizational units at the university, and participation in non-credit programs through the Center for Continuing and Professional Education exceeded 6,300 during the 2001-02 school year, a 109.2 percent increase from the 3,011 participants during the previous year. One of the "core values" of the continuing education program at SMSU states that an effective continuing education program is one that is goal-oriented, dynamic, innovative, supportive of new ideas and skillful at managing its resources.

Recommendation 87:

Develop plans and procedures to promote HCCS' Corporate Training and Continuing Education program.

Such plans and procedures should consider CTCE in strategic planning, resource allocation, class scheduling and marketing.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The vice chancellor for Economic Development assigns responsibility for representing the CTCE program in the strategic plan to the executive director of CTCE.	July 2003
2.	The executive director of CTCE discusses goals for the CTCE program with the directors of CTCE on a regular basis.	August 2003 and Ongoing
3.	The executive director of CTCE articulates the goals of the CTCE program from feedback and input gained from the directors of CTCE and the CTCE Business Plan.	Ongoing
4.	The executive director of CTCE ensures inclusion of CTCE goals in the strategic plan and regularly monitors the system's progress towards those goals.	Ongoing
5.	The chancellor and the executive director of CTCE meet with the college presidents to communicate the importance of CTCE to the business community and encourage the presidents to be advocates of the program by increasing the funding necessary for adequate staff, facilities and marketing materials.	Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

Tuition money received for CTCE courses in excess of the actual costs incurred to provide the courses is not returned to the CTCE program. The excess funds are deposited into the general fund at the system level.

According to the Texas Administrative Code, any non-credit workforce education course that results in continuing education units (CEUs) is eligible for state funding at the same rate as credit workforce education courses. THECB approves a reimbursement rate per contact hour for funding of programs at community colleges. The rates vary by the cost of the program. To qualify for state funding, a CEU course must be occupationally related, comply with the Workforce Education Course

Manual (WECM) guidelines and consist of at least seven contact hours of instruction.

Before March 2000, HCCS continuing education courses did not receive reimbursement money from the state. The system office of the CTCE program at HCCS coordinated the conversion of all eligible continuing education courses to the state-approved WECM courses. The state reimbursement money for CTCE courses at HCCS goes to the HCCS systemwide budget and is not remitted to the department that offered the course.

The THECB On-Site Review of HCCS cites the following observations as they related to the budgetary process for the CTCE program:

The CTCE program at Central College is concerned that the lack of flexibility involving the budgetary process does not allow them to be responsive to the needs of the community in the contract training area; and

Availability of fiscal resources at Central College is a challenge to the provision of quality and quantity of CTCE programs.

In order for the CTCE program to grow and potentially become a self-sustaining program, the CTCE staff at the colleges must be motivated to generate increased revenue from the program. Without awarding them with the money they generate, the system is hindering the colleges from the results they could potentially achieve.

Many community colleges and universities across the country have made their continuing education programs self-sustaining. The Board of Trustees at Montgomery College in Maryland approved policies in April of 1986 that made the college's continuing education program self-sustaining. The policy states that in order to facilitate the development and offering of a wide variety of continuing education programs, the college president or designee is authorized, within the authority of pertinent board policies:

- To establish a separate, continuing, revolving fund and budget....for the support of the college's continuing education program. This fund shall be for the receipt and expenditure of tuition, fees, special charges, state aid, grants and other revenue necessary to conduct a continuing education program.
- To establish the tuition and fees to be charged by those who enroll or otherwise participate in the various non-credit continuing education offerings so that the continuing education program is self-supporting.

- To establish a salary schedule for non-credit instructional faculty that operates within the guidelines necessary for the support of the programs and activities sponsored by the Office for Continuing Education.

Procedures were established to implement this policy, one of which deals with fiscal management. The procedure states:

- Each continuing education non-credit enterprise normally generates sufficient revenue to pay its share of general administrative expenses, as well as direct operating expenses, including provision for renewal and replacement of furniture and equipment.
- Proceeds from all Continuing Education enterprises will be deposited in the Continuing Education Revolving Fund. Expenditures from the fund will normally be made solely for the support of Continuing Education. Expenditures for other purposes must be approved by the president.
- College policies and procedures for the control of fiscal, procurement, contractual, personnel and other operations will be applicable to the operation of Continuing Education. Continuing Education is subject to auditing, both internal and external.
- Each type of Continuing Education enterprise will have a budget developed and administered in accordance with College policies and procedures. Indirect costs for administration, plant operation and maintenance should also be apportioned to each activity.
- The College Finance Office will provide the necessary support to expeditiously carry out Continuing Education business. This office will also monitor regularly the revenue and expenditures of the unit to assure effective financial management.

Additionally, a procedure for tuition and fees states that "it is the responsibility of the provost for Continuing Education, within Board of Trustee policies, to establish such tuition and fees for non-credit continuing education activities as will promote the fiscal stability and the self-sustaining nature of the program."

Recommendation 88:

Develop a policy and procedures for the HCCS Corporate Training and Continuing Education program to become self-sustaining.

Developing policies and procedures at HCCS will ensure that making CTCE a self-sustaining program is a systemwide prerogative. The self-sustaining nature of the program will increase the motivation among CTCE employees at the system and college-level to generate increased

revenue and will give the directors more control over the monetary resources available to enhance the program offered to the community.

The policy should establish a separate enterprise fund and budget process for the CTCE program and will require board approval. Once the board approves the policy, procedures should be developed that outline specifically how the CTCE program will operate as a self-sustaining program at HCCS.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The chancellor and the executive director of CTCE develop a policy to establish a separate enterprise fund and budget process for the CTCE program.	July 2003- August 2003
2.	The chancellor submits the policy to the Board of Trustees for approval.	September 2003
3.	The executive director of CTCE and the directors of CTCE at each of the colleges establish procedures that outline how the program will operate as a self-sustaining unit at HCCS.	October 2003- November 2003
4.	The executive director of CTCE submits the goals and procedures to the chancellor for approval.	December 2003

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 9
COLLEGE AND COMMUNITY RELATIONS

C. Marketing and Public Information

Communicating with members of the community is an important part of the community involvement function. A college system must use effective vehicles for communication that transmit accurate and timely information in order to maintain the trust and confidence of internal and external stakeholders.

The Office of Marketing and Public Information is undergoing a significant transition. During the fall of 2002, the executive director of Marketing and Public Information was the head of the Office of Marketing and Public Information. Six employees reported to the executive director of Marketing and Public Information: an office manager, two graphic designers, a photographer, a project leader of student publications and a project leader of electronic and print communications. **Exhibit 9-12** displays the organization of the Office of Marketing and Public Information during the fall 2002 semester and at the time of the TSPR on-site review.

Exhibit 9-12
Office of Marketing and Public Information
2002-03
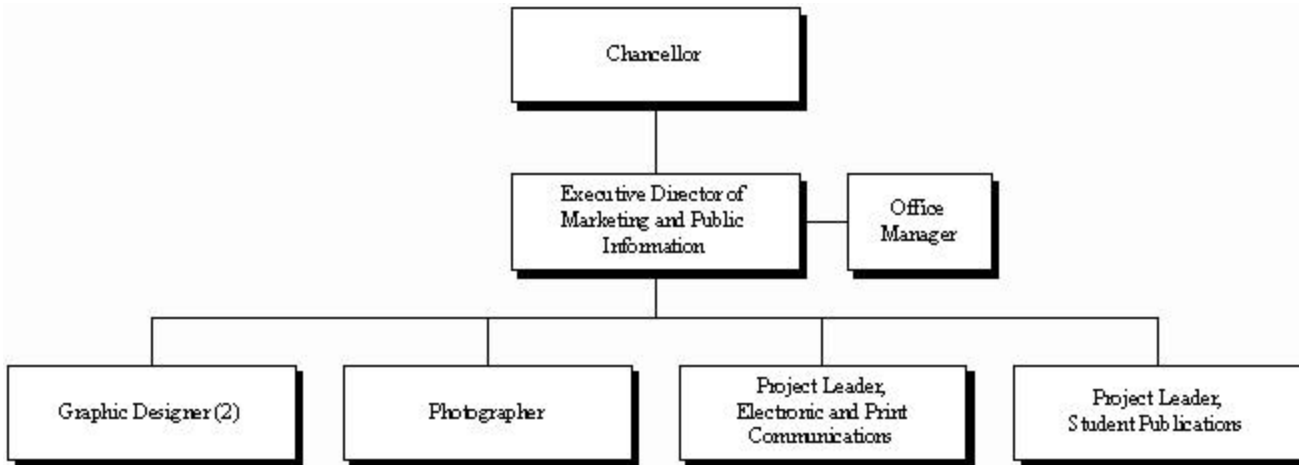
Source: Organizational Chart, Office of Marketing and Public Information.

The position of executive director of Marketing and Public Information was vacated in December 2002 and was not refilled. The position was replaced on December 13, 2002 by a new position, associate vice chancellor for Communications, and the department was renamed the Office of Communications. The position of associate vice chancellor for Communications was created and filled as a result of a recommendation made in a marketing plan developed by an outside consulting company and released in March of 2002. The

plan, entitled *A Strategic Marketing Plan for the Houston Community College System*, provides strategic objectives for the marketing function of HCCS with an emphasis on the system level. The report and the information it contains was the result of an intensive evaluation process including reviewing past plans and budgets; interviewing internal and external stakeholders; reviewing college level student service operations; conducting student focus groups; analyzing HCCS's market area and comparing HCCS's marketing efforts to those of its peer colleges. The associate vice chancellor for Communications has been charged with the responsibility of evaluating and implementing the recommendations made in the plan to best serve the needs of the system, the colleges and the community.

In the report, eight objectives were identified and each of the objectives is further broken down into the strategies for achieving each objective. **Exhibit 9-13** shows the detailed breakdown of strategies by objective in the Strategic Marketing Plan.

Exhibit 9-13
Strategic Marketing Plan Objectives and Strategies

Objective 1: Position Houston Community College as a vital element in Houston's success.

Become more visible on economic development initiatives, such as job training, planning, economic data, etc.

Create a "Center for New Opportunities" to better market counseling, training and education offerings in one location.

Quantify HCCS's impact on the local economy.

Objective 2: Improve the student experience at Houston Community College.

Standardize the registration process, guidelines and collateral materials used for registration throughout the system.

Standardize the financial aid process, guidelines and collateral materials used for financial aid throughout the system.

Improve the counseling process in place in the Houston Community College System.

Develop consistent and user-friendly signage for all System locations, inside and outside all buildings.

Commit to a high level of customer service to the students of the Houston Community College System, require customer service training for all HCCS staff and survey students regularly regarding perceptions of customer service.

Objective 3: Continue efforts to diversify the student enrollment of the Houston Community College System to reflect the demographics of Houston.

Make Hispanic outreach/media a priority.

Take greater advantage of minority scholarship/grant offerings.
Increase marketing in high schools of dual credit offerings.
Become a resource for community groups in minority areas.
Objective 4: Take visible and substantive steps to improve the public's faith in the Houston Community College System.
Conduct a performance review of the Houston Community College System and make the review a high-profile initiative.
Place responsibility for addressing initial open records requests with the Office of Marketing and Public Information.
Increase Houston Community College System's national press efforts.
Improve the productivity and success of meetings of the Houston Community College System's Board of Trustees.
Objective 5: Enforce a discipline requiring a consistent system message at all colleges and the system office and reorganize the communications and marketing structure to help make delivery of the message more consistent.
Reorganize the System's Office of Marketing and Public Information to be headed by an Associate Vice Chancellor for Communications and includes a Production Office, a Public Information Office, a Coordinator of Community Affairs and HCC Television.
Reorganize individual college communications officers to be headed by a Director of Public Relations, a Community Outreach Coordinator and an Administrative Assistant.
Objective 6: Increase Chancellor visibility and build greater communication with community leaders and public.
Create a "Chancellor's Citizens Advisory Council".
Create "Executive Assistant to the Chancellor" position.
Increase Chancellor interaction with local media.
Use HCC TV to promote community offerings available at colleges and the central office.
Objective 7: Redefine community relations at HCCS, including at each college.
Create a new community outreach role for each of the colleges.
Encourage college presidents to create college specific program they can use to brand colleges.
Encourage use of HCC facilities for community events, organizations, municipal governments, etc.
Require the Chancellor, college Presidents, Assistant Chancellors and Directors of Community Relations to belong to at least two local community organizations and take

leadership positions.
Objective 8: Improve internal communications within the Houston Community College System, with an emphasis on improving employee morale.
Make more effective internal communications a top priority for the new Associate Vice Chancellor for Communications.
Commit the Houston Community College System to win the Malcolm Baldridge Award for community colleges.
Begin an aggressive internal campaign on the success of the Houston Community College System.
Seek media opportunities to spotlight Houston Community College staff and faculty.

Source: Strategic Marketing Plan for the Houston Community College System.

The eight objectives, according to the report, encompass new approaches for market positioning, delivery of student services, marketing to minority audiences, building public credibility in the operations of the system and improving communications with the community, as well as with internal stakeholders of the system.

The fifth objective states that HCCS should "enforce a discipline requiring a consistent system message at all colleges and the system office and reorganize the communications and marketing structure to help make delivery of the message more consistent." The two strategies for achieving the objective encompass a reorganization of the Office of Marketing and Public Information at the system-level as well as the individual college communications offices. **Exhibit 9-14** displays the organization of the Office of Marketing and Public Information recommended in the Strategic Marketing Plan.
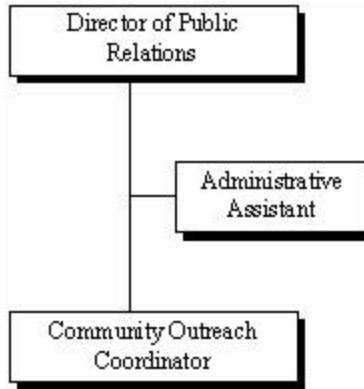
Exhibit 9-14
Targeted Organization

Office of Marketing and Public Information
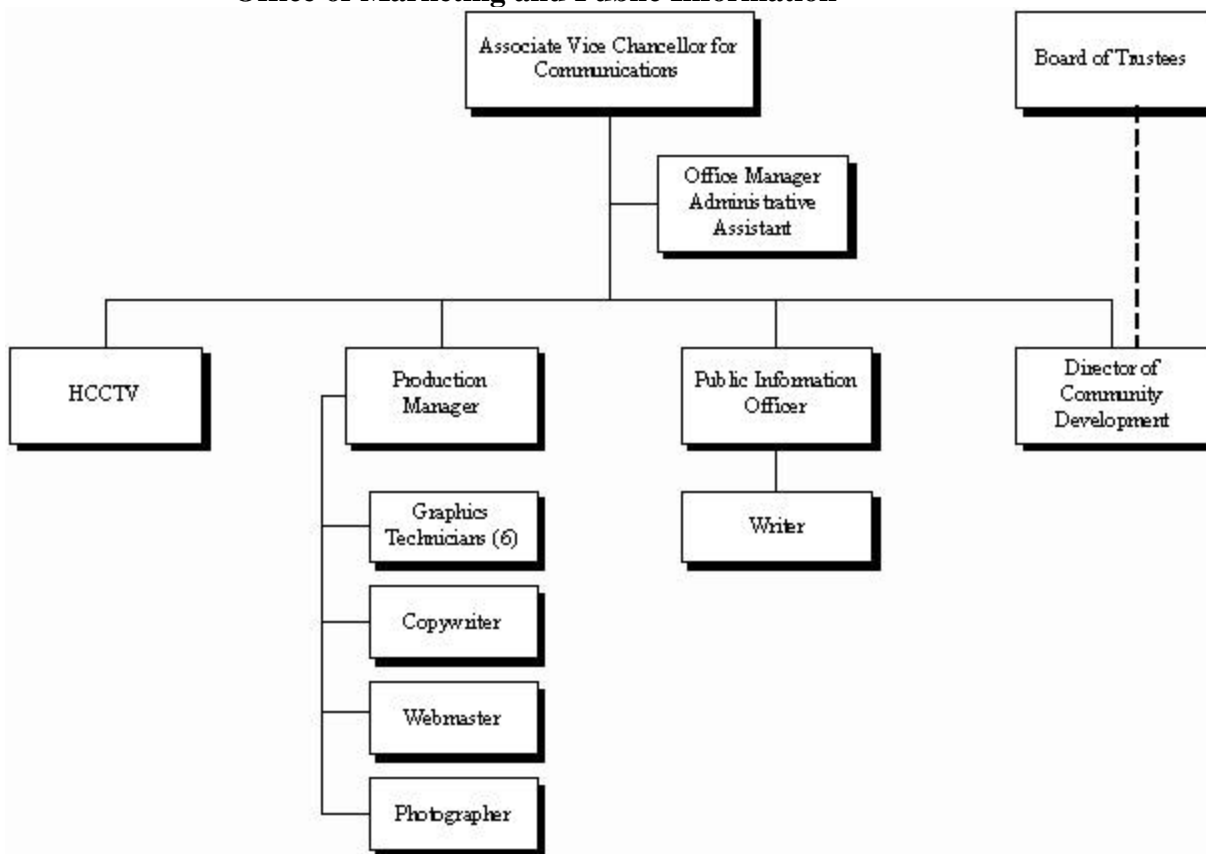
Source: Strategic Marketing Plan for HCCS.

As of January 2003, the Community and Resource Development coordinators (CRDCs) direct the college level communications offices and report directly to their college's respective president. The CRDCs are primarily responsible for marketing, public relations and grant writing for their college and have different staff positions reporting to them. In accordance with objective five of the Strategic Marketing Plan, the title of CRDC will be changed to director of Public Relations, the communications offices will have a standardized structure and number of positions reporting to the director of Public Relations and the name of the office will be changed to the office of Public Relations and Community Outreach. **Exhibit 9-15** shows the organization of the offices of Public Relations and Community Outreach outlined in the Strategic Marketing Plan. Under the direction of the associate vice chancellor for Communications and the college presidents, HCCS is in the process of implementing this new organizational structure.

Exhibit 9-15
Office of Public Relations and Community Outreach

The Office of Marketing and Public Informationoperates a $555,687 budget for 2002-03. **Exhibit 9-16** shows the main budget categories along with their respective dollar amounts for 2002-03.

Exhibit 9-16
Office of Marketing and Public Information
2002-03 Budget Expenditures

Category	Amount
Salaries and Wages	$363,137
Supplies and General Expense	$4,050
Brochures, Advertising, Other	$10,000
Postage	$2,500
Employee Travel	$13,500
Furniture and Equipment Rental	$1,000
Copy Machines - Lease/Rental	$10,000
Other Contract Service Fees	$20,000
Institutional Memberships	$70,000
Subscription Trade	$1,000
Repair/Maintenance General	$10,000
Service Contract Agreements	$7,000
Videos/Disk UNB	$7,500
Computer Hardware	$36,000

Total	**$555,687**

The furniture and equipment category includes rental costs for specialized equipment, copy machines and computer hardware. The repair and maintenance category includes office equipment maintenance and computer service contracts. The other contract service fees category includes fees paid to translators and freelance writers. The other expenses category includes subscriptions to trade and local publications and institutional memberships.

There are also three additional budget accounts for the Office of Marketing and Public Information. The first account includes costs for graphic supplies, printing costs for items like business cards and letterheads, brochures and advertising costs and postage. The total amount for this budget account is $495,250 for 2002-03. The second account had a total budget of $33,000 for 2002-03. This account includes costs for photography supplies, travel expenses for the photographer and repair and maintenance for photography equipment. The third account includes the production costs for the course catalogs, systemwide schedules of classes and the biannual student handbook. The total amount budgeted for this account in 2002-03 is $400,100.

The budgets for the CRDCs at the college level are shown in **Exhibit 9-17**.

Exhibit 9-17
Community and Resource Development Coordinators
2002-03 Budget Expenditures

Category	Central	Northeast	Northwest	Southeast	Southwest
Payroll	$148,767	$142,967	$115,152	$115,092	$155,398
Other Expenses	$127,061	$136,676	$72,373	$15,840	$125,450
Total	**$275,828**	**$279,643**	**$187,525**	**$130,932**	**$280,848**

In June of 2002, HCCS hired an independent consulting firm and spent approximately $700,000 for the consultants to develop an advertising and communications plan. The first step involved conducting research in order to assess public awareness of HCCS and its advertising and communications efforts. This research was completed and submitted to HCCS in September of 2002.

The results of the research will assist the consultants in developing an advertising and communications plan tailored to the unique needs of HCCS as indicated through the preliminary research. Once the resulting plan is implemented, the

final step will be to conduct post-implementation research in order to assess the effectiveness of the advertising and communications efforts. According to the consulting firm, the initial findings serve as a baseline. The post-implementation research will be judged against the baseline to measure how effectively the plan was implemented and how well the plan met the system's overall objectives.

FINDING

HCCS has no procedure in place for distributing course catalogs. A large number of course catalogs are being distributed inefficiently resulting in shortages and unnecessary costs. During the 2001-02 fiscal year, HCCS encountered course catalog shortages and spent $98,000 to reorder additional catalogs.

In previous years, course catalogs were ordered according to an allotment given to each college with the Office of Marketing and Public Information retaining some catalogs for colleges that run out. This process proved inefficient in that some colleges would use up the allotment and other colleges would have large overages. In response, HCCS revised the process for ordering registration catalogs. The quantity of catalogs ordered for use in the upcoming year is determined by sending out the delivery report from the previous year to the deans of Student Services and the CRDCs at each college, as well as the registrar. These individuals are asked to revise the quantities received in each of their areas based on shortages or overages. This information is sent back to the Office of Marketing and Public Information and the total of all requests is rounded up to the nearest thousand. This is the number of catalogs ordered for the year.

HCCS orders course catalogs on an annual basis and does not do mass mailings of course catalogs. Once the order is placed, the printer delivers the course catalogs to HCCS campuses and the printer provides the Office of Marketing and Public Information with a delivery report that indicates how many course catalogs were delivered to each of the HCCS campuses. The system does not store any catalogs because they have no warehouse facility.

The colleges are left to their own discretion as to how to distribute the course catalogs. Distribution of course catalogs at the Southeast College, for example, is handled by handing out a free catalog to any student who requests one. The Southeast College does not generally mail out catalogs unless the individual requesting the catalog is an out-of-town student. It has been suggested by one of the CRDCs that one free catalog be given to each student and then charge a small fee, such as fifty cents, for additional catalogs. In order to accomplish this, it has been suggested that HCCS track in some way the name or social security number of the student receiving the catalog through the registration process by inputting this information on the computer with a letter code.

The Coleman Campus and the Eastside Campus have established a tracking system to track the catalogs that are distributed, at least by box, which will give

them an approximate distribution by counselors and job developers. This new tracking system will be piloted in the spring of 2003.

A community college's course catalog is one of its most important advertising tools. It describes the college's primary product. Often a course catalog shapes the first impression a potential student has of the institution. The manner in which it is distributed to the public is an important consideration. It must:

Ensure enough copies are available without incurring a large percentage of waste; Be based on consistent criteria for each location at which they are distributed; and Establish consistent supply expectations from year to year.

The development of written procedures for performing various operations is of vital importance in a community college. It allows the college to establish consistency among its constituent units and incorporate a structured environment thereby preventing unnecessary costs. The benefits that result from having the proper operating procedures in place include:

- Clear objectives for each area within the institution;
- A tool to improve communication between employees and management;
- An improved management atmosphere created by consistency of expectation based on written procedural requirements; and
- Improved quality control.

Recommendation 89:

Develop procedures for distribution of course catalogs.

The establishment of written procedures for HCCS's distribution channels for its course catalogs can provide stability, cost savings and improved customer satisfaction.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The chancellor directs the associate vice chancellor for Communications to meet with the presidents of each college to develop a procedure for distribution of course catalog requests.	July 2003
2.	The associate vice chancellor for Communications meets with the presidents of each college along with the CRDCs to develop a procedure for course catalog requests.	August 2003
3.	The presidents of each college along with the CRDCs develop a procedure for course catalog requests.	September 2003- December 2003
4.	The Human Resources department incorporates the new procedure for course catalog requests into the employee policies and	January 2004 and Ongoing

	procedures handbook.	

FISCAL IMPACT

The fiscal impact for this recommendation estimates a 10 percent savings from the 2001-02 costs of reordering additional catalogs if procedures are developed that will prevent the need to reorder additional catalogs ($98,000 x 10 percent = $9,800 annual savings).

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08
Develop procedures for distribution of course catalogs.	$9,800	$9,800	$9,800	$9,800	$9,800

FINDING

HCCS employees are not given annual training to improve their telephone skills resulting in poor customer service. New full-time employees receive telephone training as part of New Employee Orientation. The training consists of one hour of hands-on training on the use of the telephone system and distribution of the Telephone Etiquette Standards for Customer Service. It is important to provide annual telephone training to both new and returning employees in order to reiterate the principals of telephone etiquette standards and reinforce the value of providing superior customer service to all customers. When the public calls HCCS, the telephones are the first means of communication between the person and the system. If telephone calls are not handled appropriately, it gives the impression that HCCS is disorganized and damages the system's public image.

Callers are left on hold too long and are often routed to various departments before being connected to the person with whom they intended to speak. If a telephone caller dials the main HCCS number and the switchboard operators are busy handling other calls, the caller is placed on hold. While on hold, the caller has the option of pressing zero to route back to the switchboard operator. If the telephone switchboard operator is still busy with other calls, the caller is placed on hold again. When a caller contacts an HCCS employee by dialing the direct number and cannot reach the HCCS employee, the caller can dial zero and the call will be routed to the switchboard operator. However, it is left to each HCCS employee to decide whether they want to have this option on their telephone. If an HCCS employee does not allow calls to be routed to the switchboard operator when they are not available to answer their telephone calls, the caller can either leave a voice mail message or hang-up.

When HCCS receives telephone calls, it is up to each HCCS employee to determine the level of help the caller needs. An HCCS directory is available to help staff locate telephone numbers for the caller. Many times a caller is routed to the appropriate department only to be met with an HCCS voice mail message

instead of a person. If the telephone number is not located, the caller is transferred back to the main switchboard to face possible further delays. Consequently, being transferred so many times leaves the telephone caller feeling frustrated and HCCS is perceived as not having a customer friendly image.

In 2002, a planning committee was commissioned internally to address the customer service issues that have remained ongoing "throughout the history of the institution." A customer service brainstorming session was conducted during November 2002. Various faculty and staff participated in the session and identified several issues including:

- Lack of protocol
- Impact on enrollment
- Too many recorded messages
- Attitude
- Huge dependence on part-time staff
- Standardization of issues
- Fewer people on the front line

At the end of January 2003, the president of the Northwest College developed a "compelling business case for [a] customer service project" in an effort to address these issues with the desired outcome of the project to make "all customers feel good about working, studying, visiting and doing business with HCCS." The business case provides an overview of the project, which consists of the following key steps:

- The executive team creates and deploys systemwide guiding principles (The HCCS Way) that set the customer service tone for all employees. These behaviors describe how employees will go about achieving the HCCS mission and vision.
- The executive team charters a customer service project team.
- Site visits are made to one or two urban multicampus colleges known for their customer service approaches.
- Employee focus groups are conducted to gather information from all employee groups about HCCS customer service: what is working, what can be improved and suggestions for how to improve.
- Recent survey data from student, faculty and staff surveys, SACS reports, the marketing study and performance audit feedback are reviewed.
- An external consultant performs a customer service audit to assess HCCS strengths and areas for improvement.
- Based on analysis of information collected through focus groups, surveys and customer service audit, systems and processes are improved and training is conducted where needed.
- Performance measures, along with monitoring and feedback loop, are put in place.

The business case also describes the performance measures that will be used to evaluate the success of the customer service initiative. These measures include, but are not limited to:

- There are few barriers to communication and action.
- All employees are responsive to the needs of internal and external customers.
- Everyone is friendly and courteous towards each other.
- Front-line staff frequently asks if they can be of service.
- People smile and visibly enjoy their work.
- People continuously look for ways to improve.
- Staff feels empowered to act.
- People receive positive feedback from colleagues.
- Customers are pleased after interactions with staff.
- Administrators help staff work to improve service.
- Everyone works to identify and prevent problems.
- People work to develop a customer-oriented system, policies and procedures. And
- Staff anticipates the needs of their internal and external customers.

Other community colleges either provide customer service training internally or send employees to external workshops on this topic. Organizations are seeking creative and innovative ways to provide customer service training to their employees. An example is the Fish Philosophy training workshops. The Fish Philosophy is a theory developed by the employees of the world famous Pike Place fish market in Seattle, Washington that stresses, teaches and rewards customer service to ultimately bring life and energy to the workplace. Organizations across the country are adapting the Fish Philosophy to increase accountability, attract and retain great employees, improve customer service and embrace change. For example, companies like Target, Chevron, AT&T, Ford Motor Company and Southwest Airlines are successfully using the Fish Philosophy to connect the simple wisdom of Fish into their overall organizational strategies.

Recommendation 90:

Conduct annual telephone system training to teach basic telephone skills and courtesy and improve customer service delivery.

The training should be provided at the beginning of each school year to both new and returning employees. Providing the training to returning employees will serve to reiterate the principles taught in the training class and reinforce the importance of good telephone skills. By teaching basic telephone skills and courtesy, customer service delivery will be improved and HCCS will be perceived as a customer-friendly organization.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The chancellor directs the associate vice chancellor for Communications to work with the CRDCs to identify the types of training that will improve telephone skills for HCCS employees.	July 2003
2.	The Human Resources Department communicates, through a written memo, the types of telephone skills training that will be required for HCCS employees to attend.	August 2003
3.	HCCS employees attend the telephone skills training.	September 2003 and Annually

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

HCCS does not have a mechanism for receiving public input on the HCCS Web site. The only link provided on the HCCS homepage that allows a user to submit a question or comment is that of the Webmaster. The link for the Webmaster's e-mail address is included in the following statement: "If you have any problems, e-mail wwwadmin@hccs.edu." This statement does not clearly indicate if the user can submit general comments or questions about HCCS or if the only appropriate comments or questions are those directed towards problems they are experiencing with the Web site. In fact, often times a Webmaster deals solely with technical problems with, and comments or suggestions directed towards, the Web site.

Other colleges like North Harris Montgomery Community College (NHMCC) and Austin Community College (ACC) receive public input on their Web sites. NHMCC provides a link on their Web site to solicit input. This link is different from the link for the Webmaster, which is the link specifically for people having technical problems with the Web site.

ACC has a Contact Us page on its Web site that provides a detailed form for an individual to use in order to submit comments to the college system. The form solicits the following information from the user:

- department the person wishes to contact (required);
- name of the person submitting the comment (required);
- e-mail address for the person submitting the comment (required);
- phone number (optional);
- street address (optional);
- apartment number (optional);
- city, state and zip code (optional); and
- county (optional).

In addition to this information, a box is provided at the bottom of the form that allows the user to type their comment.

Recommendation 91:

Establish a way to receive public input on the HCCS Web site.

There should be a form on the HCCS Web site for the user to submit their contact information as well as provide a space to type their comment and select a department to which their comment is directed. The mechanism will provide the public with a formal, detailed means of submitting comments and input to HCCS. The comments will allow HCCS to use public input as a means of evaluating and improving their overall service delivery.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The chancellor directs the associate vice chancellor for Communications to initiate the development of a public comment mechanism on the HCCS Web site.	July 2003- August 2003
2.	The associate vice chancellor for Communications works with the Instructional Computing Resource department to design and implement a public input mechanism on the HCCS Web site.	September 2003
3.	The associate vice chancellor for Communications monitors the input received on the Web site on a regular basis.	Ongoing
4.	The associate vice chancellor for Communications submits a monthly summary report of the public input received during that month to the chancellor and Board of Trustees for consideration in decision-making for the system.	Monthly

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

HCCS does not have a written procedure for communicating with the media. In addition, HCCS does not provide training to individuals in high-profile positions at the system on how to react if they are contacted by the media. As a result, HCCS has experienced problems communicating with the media.

One example of an issue that HCCS experienced when dealing with the media occurred when a faculty member put together a program to solicit donations and create care packages for troops overseas. The Office of Marketing and Public Information wrote and sent out a press release. A local television station

responded to the press release but when the dispatcher called to get information needed in order to send a reporter to cover the story, she was passed from department to department, was given misinformation about where the donation collection was taking place and was ultimately so frustrated that she cancelled her plan to cover the story. An employee in the Office of Marketing and Public Information, after hearing about the problems the reporter experienced, called the news station and spoke with the dispatcher who had experienced the difficulties. The dispatcher stated that she had spoken with six different people in four or five colleges, felt that this lack of organization was unprofessional and further stated that, as a result, the news station would not attempt to pick up news stories from HCCS in the future. The employee in the Office of Marketing and Public Information was able to apologize to the dispatcher and eventually convince the news channel to come to HCCS to cover the story.

Board policy GA (local) states that media training should be provided to meet the goal of ensuring the media and public are provided with information from those individuals within HCCS that are adequately informed about an issue or activity and are best able to articulate an appropriate response. The policy differentiates between who in the system is the official spokesperson for "system issues" and who in the system is the official spokesperson for "college issues". When an issue or situation affects more than one college or impacts the entire system, the official spokesperson is the chancellor and/or the chairman of the board, or an appropriate designee. When an issue or situation affects an individual college, the official spokesperson for that college is the college president or designee. The responsibility of the Office of Marketing and Public Information outlined in the policy is to maintain current media contacts, coordinate requests and provide assistance in handling media issues on an as-needed basis.

In the past, HCCS staff was verbally instructed to direct all media telephone calls to the Office of Marketing and Public Information. The media telephone calls were either handled by the chancellor or the executive director of Marketing and Public Information. Under the *Strategic Marketing Plan*, the associate vice chancellor for Communications will be the first point of contact for handling media telephone calls. Media contacts received at the college level are either handled by the presidents or CRDCs. If the colleges receive a media telephone call with specific questions about HCCS and not related to the colleges themselves, those calls are directed to the Office of Marketing and Public Information.

Establishing policies for communicating with the media can promote a well-structured environment for addressing media questions and concerns. It also allows for the media to receive accurate and timely information thereby improving and enhancing the relationship between the media and the institution. At the same time, the institution must ensure that the requirements of the policy are being executed in order for the policy to achieve its intended purpose.

North Harris Montgomery Community College (NHMCC) has a contract with a local company that provides media training to NHMCC. For the last four years, they have provided media training to the Board of Trustees, executive council and the Public Information/Community Relations directors. Some examples of the training includes how to handle media calls, how to ask for more time from the media and how to act and react in front of a camera. The success of the training has enabled NHMCC to handle the media in a structured environment that helps represent them in a positive manner for both the public and the media profession. In addition, the colleges that make up the NHMCC system are building guidelines for contact with the media into their crisis communications policies.

Recommendation 92:

Establish a written procedure for communicating with the media and provide training to selected positions at HCCS.

The training should be provided to the associate vice chancellor for Communications, the chancellor, the chancellor's executive team and the HCCS Board of Trustees. These are individuals that are often contacted by the media and should, as a result, be trained to communicate with the media in the most appropriate way should the need arise.

Establishing a written procedure for communicating with the media and distributing the procedure to all HCCS employees will ensure that the employees of HCCS that are not trained to communicate with the media know to whom they should refer representatives of the media.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The chancellor directs the vice chancellor for Communications to establish written procedures for communicating with the media.	July 2003
2.	The associate vice chancellor for Communications develops procedures that are to be used for communicating with the media.	July 2003- August 2003
3.	The associate vice chancellor for Communications coordinates and ensures media training for selected employees at HCCS and the Board of Trustees.	August 2003
4.	The associate vice chancellor for Communications distributes the new procedures for communicating with the media in a written memo to HCCS employees.	August 2003
5.	The associate vice chancellor for Communications incorporates the procedures for communicating with the media into the employee procedures handbook.	September 2003 and Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 9
COLLEGE AND COMMUNITY RELATIONS

D. HCC-TV

The HCC-TV Department was created in 1994 in response to a Request for Proposal (RFP) by the City of Houston to operate a post-secondary educational access cable channel. HCCS was chosen for the multi-year contract in 1994 and has since entered into a second multi-year contract with the City of Houston that expires in 2003. HCC-TV has undergone many changes in programming focus, department mission and management and reporting structure since its inception in 1994.

During its early stages, HCC-TV's programming was produced with a focus on the instructional needs of HCCS. The Staff and Instructional Services Department administered operation of HCC-TV. This reporting structure was later revised and assigned directly to the Office of the Vice Chancellor for Education. Programs broadcasted during this time included Artworks (weekly arts interviews); American Computer Enthusiasts (weekly computer talk); Author Showcase (monthly talk with book authors); and HCCS Source (bi-monthly news about the college).

In 1998, HCCS shifted the focus of HCC-TV from instructional programming to creating a financially self-sufficient service. The goal was to serve the community and ultimately generate external revenue. Administration of the station was assigned to the Office of Marketing and Public Information. The following mission statement was developed by the Office of Marketing and Public Information at that time:

> *HCC-TV will be the community's television station for education, entertainment and community service programming.*

Programs broadcasted during this time included HISD High School Game of the Week (weekly full coverage of high school athletic events); Culture of Silence (full empowerment TV series); Technology Bytes (weekly coverage of Pacifica FM radio simulcast computer show); and Academic Challenge (high school scholastic game show).

In 2000, priorities of HCC-TV were revised to return the focus on the internal needs of HCCS. Administration of HCC-TV was transferred to the executive director of Distance Education, and the reporting line was structured through the Distance Education Department at the Southeast College. The mission statement was revised to the following:

The mission of HCC-TV is to provide television and other related media services to support the educational, multicultural, community service and marketing needs of the HCCS staff, faculty, students and community. Services of the highest quality must be delivered in a timely, customer-oriented and cost-effective manner.

Programs broadcasted during this phase included HCC and Community (monthly talk show hosted by the Chancellor); HCCS Board Meetings (monthly live on tape coverage of HCCS Board meetings); Northeast College President's Performing Arts Series (coverage of the series from the Northeast college); and The Vibe and the Verse (high school dance show with poetry by a local award winning playwright).

In April 2002, HCCS initiated another revision of the department's focus. The HCC-TV Department is transitioning the goals and strategies to establish a station focusing on the internal needs of the college and concurrently attaining financial self-sufficiency. The department was asked by the chancellor to establish a long-term business plan in order to clarify its direction, focus and operating principles. Both a community-based external committee and an internal committee were convened to support and advise this effort. The result of this effort was a five-year business plan, the outcome of which resulted in three areas of focus which were adopted by the chancellor and the chancellor's executive team:

- market activities to support systemwide objectives including student recruitment, student retention and community awareness;
- provide instructional opportunities for students interested in the video production, audio production, broadcast technology and journalism programs; and
- become financially self-sufficient.

As a result of the five-year business planning effort, the HCC-TV Department proposed reorganization in December 2002 into the Department of Television Services. The department is technically comprised of two divisions. **Exhibit 9-18** displays the recently board approved structure dividing the department into two divisions.

Exhibit 9-18
**Divisions of the Department of Television Services**

2002-03
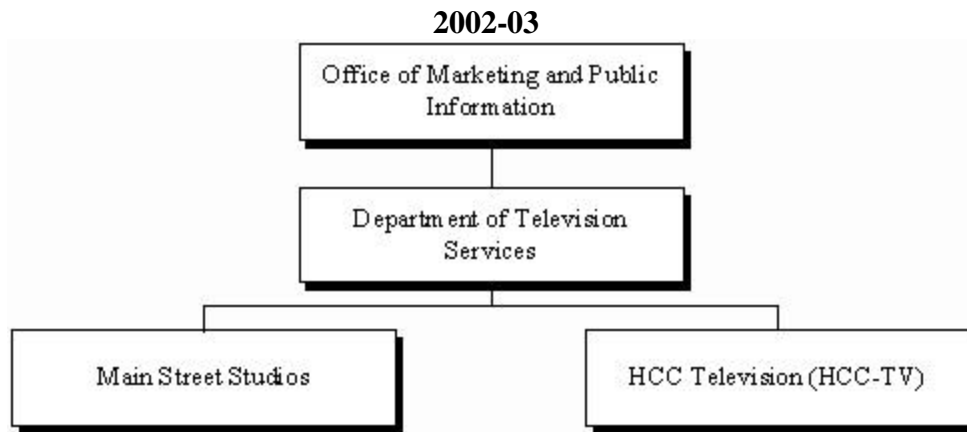
Source: HCC-TV general manager.

The first division of the Department of Television Services is Main Street Studios, a new 16,000 square foot state-of-the-art production facility. The facility includes two studios, two production control rooms, a centralized technical equipment room, ten post-production edit suites, prop and equipment storage rooms and an engineering maintenance office. The facility also includes a state-of-the-art all-digital master control playback center that manages and telecasts four local cable access channels through a partnership with the City of Houston's governmental access channel know as the Municipal Channel.

The second division of the department is HCC Television (HCC-TV). This division handles all of the marketing functions of the department including program development, sponsorship sales, videotape traffic, videotape library, program scheduling and promotions. **Exhibit 9-19** presents the organizational structure of the HCC Television division for 2002-03.

Exhibit 9-19
HCC Television Division Organization

2002-03
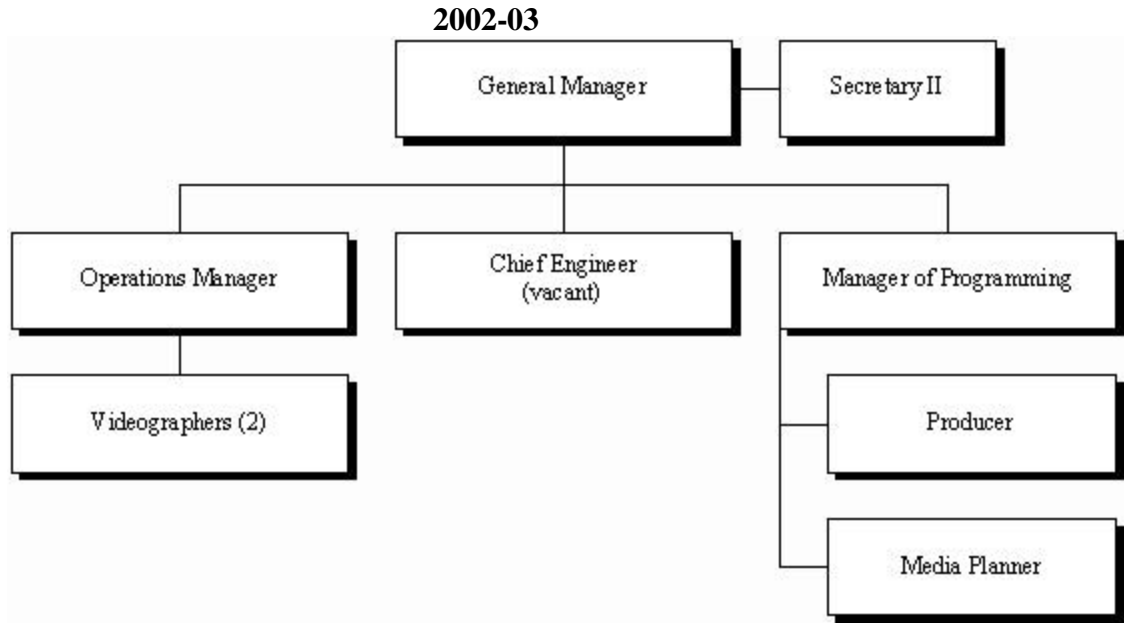
Source: HCC-TV general manager.

A general manager and an operations manager primarily administer the division. These two employees have a total of 40 years of experience in the television industry.

Exhibit 9-20 outlines the total budget for HCC-TV in 2002-03.

Exhibit 9-20
HCC-TV Budget
2002-03

Expenditure	
Personnel	$317,500
Supplies/General	$80,000
Travel	$15,000
Contract Services	$175,000
Institutional Expenses	$2,000
Materials, Supplies, Repair	$3,000
Subscriptions, Video	$3,000
Furniture & Equipment - Capital	$250,000
Furniture & Equipment - Construction	$200,000

Data Software	$4,000
Advertising/Marketing/Promotions	$175,000
Total Expenditures	**$1,224,500**

The largest expenditures in the HCC-TV budget are Furniture & Equipment - Capital and Furniture & Equipment - Construction. These expenditures include costs incurred for the depreciation of technical and video equipment and the construction of the production facility.

FINDING

The recently revised direction of HCC-TV places a focus on the internal marketing and instructional activities of HCCS while offering programs benefiting the needs and interests of local community organizations, businesses and community leaders. HCC-TV has participated in many studies to transition the department into an operation that serves the needs of HCCS as an institution while providing a service to the community.

The mission and focus of HCC-TV was developed through several efforts such as a United Way management analysis and a series of internal focus groups and a community-based task force. As a result of these efforts and the five-year business plan, HCC-TV established strategies to integrate its service into the overall advancement of the college by engaging HCC-TV in the needs of HCCS. HCC-TV established the following Goals for Advancement to support the overall advancement of HCCS:

- increase the focus on student learning, service learning and academic opportunities;
- increase student retention rate;
- increase student enrollment;
- pass the HCCS bond referendum;
- connect the college to the local and global community;
- improve staff morale and effectiveness; and
- generate external funds to ensure that HCC-TV is eventually self-supporting.

In an effort to support the goals, HCC-TV is producing, directing and supporting several programs that are offered for viewing by the students, faculty and community of HCCS. The types of programs shown on HCC-TV are listed in **Exhibit 9-21**.

Exhibit 9-21
2002-03 HCC-TV Programs

Program	Description
HCC and Community	The chancellor of Houston Community College informs the public about decisions made by the trustees at their meetings and about HCCS and its programs. Its educational objective is to inform HCCS staff and the community of the latest developments in HCCS.
Inside HCC	The vice chancellor for Educational Development discusses education programs. Its educational objective is to highlight workforce, continuing education, academic, adult literacy programs and educational development.
HCCS Trustee Journal	Each member of the HCCS Board of Trustees records his or her own show. This show features each trustee interacting with people at events held during the month. Its educational objective is to inform taxpayers and the general public about each trustee and the educational issues the board faces.
HCCS Board of Trustees Meetings	The HCCS Board of Trustees televises its monthly meeting. The educational objective is to inform the public how policy is set for HCCS.
Thought You'd Like To Know	The chancellor of HCCS does editorials on issues relevant to HCCS. The educational objective is to inform HCCS staff and the community about various topics of interest to HCCS and the diverse Houston community.
HCC Headline News	A fast-paced 2-minute newscast about events taking place on all five HCCS campuses. Students in the journalism program at HCCS deliver the news. The educational objective is to give students a chance to write, produce and deliver a daily newscast.
Culture of Silence	The program is an educational empowerment series consisting of six real-life dramas in video format and is a model education and training program. The program has corresponding presentations and training tools and is designed to help individuals deal with the challenging issues confronting them in today's society.
Artworks	Offers up to date information on the local arts scene along with reviews and commentary. Its goal is to celebrate the diversity of the Houston arts community. The educational objective is to inform the audience about artistic news and reviews.

Source: HCC-TV general manager.

The Culture of Silence program produced by HCC-TV received the WorldFest Houston Platinum Award in October 2001. The program was designed to elicit an audience dialogue on important issues, such as teenage pregnancy and spousal abuse. The goal of the program is for the

audience to generate potential solutions to the problems. In addition to being an educational series, Culture of Silence is also a socially oriented entertainment series available for national syndication and cable exhibition. The producers are also developing a Made for Television Movie weaving together all of the issues explored in the series.

COMMENDATION

HCC-TV produces television and othe r media services that support the educational, multicultural, community service and marketing needs of HCCS staff, faculty, students and community.

Chapter 9
COLLEGE AND COMMUNITY RELATIONS

E. Public Service

The Texas Charter for Public Education, adopted as official state policy in 1987 by the 70th legislature, is a formal statement of the goals and priorities for higher education in Texas. The charter reaffirms a commitment of the state government to improve academic quality and to increase the educational opportunities available to all young Texans. The charter sets out ten principles and provisions that should guide the future development of higher education in Texas, one of which involves public service.

The charter states that "public service is a significant function of higher education. Colleges and universities enrich the State's quality of life by providing public access to libraries and cultural events. Local communities are afforded direct assistance from the agricultural and engineering extension services and academic health care centers. Most importantly, institutions of higher education shall serve both the private and public sectors as an independent source of information for policy decisions, resource allocations, management options and regulatory issues."

FINDING

None of the colleges produce a consolidated list of the public service activities taking place during the year. HCCS seems to be committed to the idea of promoting public service within the system and has displayed a dedication to serving its community. All of the colleges provide public service through various programs, activities and events held throughout the year. The approach to offering services to the public is fragmented in that the employees of each college take their own initiative on the programs and activities with which they become involved. Although a lack of standardization is not unheard of, there are certain aspects of the process that need better communication and organization.

The 2000-2002 Southern Association of Colleges and Schools (SACS) Self Study notes the importance of public service in a college system and names public service as one of three educational activities of an institution in addition to teaching and research. The following is an excerpt from the report:

> *"Planning and evaluation for [public service] activities*
> *must be systematic, broad-based, interrelated and*
> *appropriate to the institution. [HCCS] is actively involved*

with its community through public service activities, both at the system level and in the colleges. HCCS colleges conduct a variety of activities in conjunction with, and as part of, their educational programs and through their community development initiatives. Examples of public services include free seminars such as Buckling Up for Life, Houston's Safe Communities, Dance Education and Recreation Program, eCenter Program, the HCCS Institute for Excellence, the Kids College and co-sponsorship of community programs and forums. HCCS has an active Service Learning Program and, through its fine arts programs, sponsors numerous public performances. In addition, cosmetology and massage therapy students and faculty offer a variety of low cost services to the community. Culinary arts students and faculty provide cafeteria services."

During the on-site review of the system, the CRDCs, college presidents, the chancellor and other relevant staff were able to discuss a few of the public service activities and programs that are taking place throughout the system. However, none of the CRDCs were able to provide a comprehensive list, which is not surprising since responsibility for developing and maintaining such a list has not been assigned to any position in the system.

The benefits of creating a comprehensive list of all public service activities taking place at the system level as well as by college include the ability to send the lists to college presidents, vice chancellors and the chancellor in order to keep them well-informed of what's going on at their colleges and throughout the system. It avoids duplication of efforts and the risk of initiating a public service activity that is already taking place. The list can also be used for reporting purposes and as a marketing tool to convey to the community that HCCS values serving its community.

The Northwest Vista College (NVC), one of four colleges that make up the Alamo Community College District (ACCD), tracks its public service activities through its Learn and Serve program. Learn and Serve America is funded by the Corporation for National and Community Service and provides schools, colleges and community organizations with grants for service-learning that help make it possible for Texas students from kindergarten through college to meet community needs while improving their skills and learning the habits of good citizenship. The Service Learning coordinator at NVC uses a database to track the service activities in which each student in the program participates. The database lists the name of the student, the community agency name, various demographical information for the student such as age and ethnicity, the student's major

field of study and contact information such as phone number and e-mail. The Service Learning coordinator has been asked in the past by grant writers, auditors and employees in the Office of Public Relations to generate a report that lists the public service activities for various reasons. If the coordinator is asked to generate reports for these individuals or others throughout the system, the report is easily generated and provides quick access to a comprehensive list of the public service activities taking place at the college.

Recommendation 93:

Assign responsibility for listing the public service activities taking place at each college to the Community and Resource Development coordinators and consolidate this information at the system level.

This process will involve establishing a reporting mechanism whereby staff is informed that whenever they initiate a public service activity they are required to inform the CRDC of their college the details of the activity, when it will take place, the beneficiary of the activity and any other relevant information. The CRDCs will consolidate this information into a spreadsheet and will have the information available upon request.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The vice chancellor for Communications assigns responsibility for producing a consolidated list of public service activities taking place at their respective colleges to the CRDCs.	July 2003
2.	The vice chancellor for Communications distributes a memo to every employee in the system that instructs them to notify their college's CRDC whenever they initiate a public service activity.	August 2003
3.	The CRDCs at each of the colleges produce a tracking sheet for each of the public service activities taking place at their colleges and update the tracking sheet on an as-needed basis when a new service activity or program is initiated.	September 2003 and Ongoing
4.	The CRDCs include a list of all the public service activities or programs that took place during the academic year at their college in their respective college newsletter.	Annually

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 9
COLLEGE AND COMMUNITY RELATIONS

F. Art Galleries

Art galleries are an important part of the community involvement function because they involve the community with the college system by providing public access to exhibits. The exhibits also serve a marketing role by encouraging people who might not otherwise have known an art program exists at the college to enroll and explore the opportunities available.

The faculty of HCCS responsible for the art exhibits is a creative, knowledgeable and highly dedicated group of individuals with a realization of, and appreciation for, the positive impact art exhibits have on the community. These individuals operate under minimal funding and have been forced to "do a lot with a little". Despite these fiscal constraints, the exhibits are an impressive display of the talent residing at HCCS both within the student body and among the faculty.

FINDING

HCCS provides public access to all art exhibits held throughout the year. Inviting the public to the art exhibits at each of HCCS's four galleries is an effective and creative means of involving the community with the college system.

The gallery at Southwest College is located in a shopping center where the college leases space for the gallery. Each year the gallery has a student show in the fall and one in the spring. These shows exhibit the artwork of students enrolled in the art studio class at Southwest College. Each studio student produces a work of exhibit quality, which means they learn to label and frame the art work and do other preparatory tasks to get the piece of art in a condition suitable for exhibit. Every student does not necessarily have to put their piece on display; rather, they all must simply prepare it as if they were going to have it displayed.

The spring show is a juried show, which means the artwork is judged and the artists receive awards like First of Show, First of Painting and First of Drawing. In addition to the student shows, every other year the college sponsors a Gulf Coast Intercollegiate Conference (GCIC) show that features work from artists all over the Gulf Coast area.

The gallery for the Northeast College is located in the Northline mall where the college leases space. The gallery hosts five exhibits per year: two during the fall semester, two during the spring semester and one

during the summer session. The exhibits do not showcase student exhibits since the college does not offer a studio class. Rather, the exhibits display the work of professional artists both inside and outside the HCCS community.

The art gallery at Northwest is used for artwork of both students and faculty. The faculty exhibit showcases the work of the visual art department faculty members. A total of eight or nine exhibits take place throughout the year: three in the fall semester, three in the spring semester, one during the mini semester over the Christmas holidays and one or two during the summer. In addition to faculty and student exhibits, the gallery occasionally showcases a professional artist's work. In addition, the director of the gallery occasionally invites alumni to exhibit their work, and the director is in the process of working with them for a complete show exclusively displaying alumni artwork.

The gallery at Central College features seven exhibits each year. One is a fashion show and the other six exhibits feature artwork: one faculty show, two student shows and three shows with a theme chosen by the faculty of the art department. One of the two student shows takes place in the fall and one takes place in the spring. Like the Southwest gallery, the spring show is juried. Every other year the department works in collaboration with FotoFest, a non-profit international arts and education organization based in Houston. FotoFest's purpose is to create an international forum for the exchange of photography to promote public appreciation of photographic art.

COMMENDATION

HCCS art galleries provide an effective way to share HCCS student work with the community and to involve the public with the college system.

Chapter 10
PLANT OPERATIONS AND MAINTENANCE

This chapter reviews the plant operations and maintenance functions of Houston Community College System (HCCS) in the following sections:

A. Organization and Management
B. Facilities Condition and Planning
C. Construction Program Management
D. Custodial and Maintenance Operations
E. Energy and Conservation Management
F. Safety and Security

Facility planning and management of construction and renovation projects are significant activities for most colleges or universities. Comprehensive master planning for facilities (based on projected student enrollment program needs and legislative requirements) meets student needs without overcrowding, use of substandard facilities because of deferred maintenance or non-compliance with applicable codes. Active management of construction projects ensures cost control, quality workmanship and timely completion. Facilities must also be maintained and cleaned on a routine basis to ensure a safe and healthy environment for students, teachers and staff.

Community colleges are the only segments of higher education that construct and maintain physical facilities without state funding assistance. Local community colleges have taxing authority for this purpose. For this reason, most Texas Higher Education Coordinating Board (THECB) facilities standards and reporting requirements for other areas of public higher education are recommended, but not required, for community colleges. As a result, each community college system determines, to a large extent, its own facilities management plan.

BACKGROUND

HCCS occupies five academic campuses and one main administrative center in the metropolitan Houston area. The system owns facilities at all five of the colleges, which include Central College, Northeast College, Northwest College, Southeast College and Southwest College. It also owns the Main Administration Building at 3100 Main Street. In addition to the HCCS-owned campuses, the system leases eight buildings for additional classroom space.

The total physical plant consists of 3,020,911 gross square feet (GSF). Forty one permanent academic buildings totaling 2,101,507 GSF, and four

buildings, used for administrative or non-academic purposes totaling 919,404 GSF. Lease facilities make up 249,194 GSF.

HCCS continues to expand, renovate and improve its academic facilities to support its educational programs in its service area. Construction is underway on the new 36,687 GSF Central College campus, located at Highway 288, with occupancy scheduled for fall 2003.

Exhibit 10-1 shows a summary of owned and leased square footage.

Exhibit 10-1
HCCS Owned and Leased Square Feet
2002

Building	Address	SF	Ownership	Occupancy
CENTRAL COLLEGE CAMPUS				
288 Campus	288 and Airport	36,687	Owned	Fall 2003
Business Careers Center	1215 Holman	35,000	Owned	1978
Business Careers Center II	1215 Holman	36,680	Owned	1986
Child Development Center	3412 Crawford	3,000	Owned	1988
Fine Arts	3517 Austin	75,400	Owned	1988
Fine Arts Parking Garage	3517 Austin	142,500	Owned	1988
Heinen Theater	3517 Austin	18,000	Owned	1988
J.B. Whiteley	1301 Alabama	102,000	Owned	1988
Palm Center	5330 Griggs	12,000	Leased	1997
San Jacinto Memorial	1300 Holman	172,000	Owned	1988
San Jacinto Memorial-East	1300 Hoffman	60,500	Owned	1988
San Jacinto Memorial-West	1300 Holman	60,500	Owned	1988
Staff Instructional Services	3821 Caroline	21,800	Owned	1984
Theatre One	3517 Austin	21,900	Owned	1988

Total Gross Square Feet Area		**797,967**		
NORTHEAST COLLEGE CAMPUS				
Codwell Hall Northeast	555 Community College	86,316	Owned	Fall 1999
Roland Smith Truck Driving	555 Community College	12,000	Owned	Fall 1999
Northline Mall Center	401 Northline Mall	80,500	Leased	Fall 1990
Pinemont Center	1275 Pinemont	40,025	Leased	Fall 1999
Transportation Training Center A	4638 Airline	53,658	Owned	Fall 1987
Transportation Training Center B	4638 Airline	18,401	Owned	Fall 1988
Total Gross Square Feet Area		**290,900**		
NORTHWEST COLLEGE CAMPUS				
Town & Country Classrooms	1010 W. Sam Houston	84,796	Owned	Fall 1999
Town & Country PAC	1010 W. Sam Houston	26,123	Owned	Spring 2000
Town & Country - Labs	1010 W. Sam Houston	14,000	Owned	Fall 2002
Town & Country (Vacant)	1010 W. Sam Houston	10,000	Owned	n/a
Westgate	1550 Fox Lake	62,645	Leased	Fall 1996
Total Gross Square Feet Area		**197,564**		
SOUTHEAST COLLEGE CAMPUS				
Coleman Medical Careers	1900 Galen Drive	160,460	Owned	Fall 1999
Eastside Campus - Angela	6815 Rustic	60,640	Owned	Fall 1999
Eastside Campus - Felix	6815 Rustic	54,345	Owned	Fall 1990
Eastside Annex	2524 Garland	12,800	Owned	Spring 1991

Eastside Temporary Buildings	2524 Garland	5,000	Owned	Spring 1995
Total Gross Square Feet Area		**293,245**		
SOUTHWEST COLLEGE CAMPUS				
Alief Center	13803 Bissonnet	43,000	Owned	Spring 2001
Bluebonnet - Applied	4014 Bluebonnet	19,324	Leased	1996
Greenbriar Square Center	13645 Murphy Road	17,100	Leased	1992
Gulfton Center	5407 Gulfton	35,100	Owned	1990
Missouri City Center	1681 Cartwright	5,600	Leased	1997
Power Center	12401 S. Post Oak Rd.	12,000	Leased	1995
Scarcella Science and Tech.	10141 Cash Road	75,000	Owned	Spring 1998
Stafford Campus A	9910 Cash Road	10,875	Owned	1992
Stafford Campus B	9911 Cash Road	23,560	Owned	1992
Stafford Campus C	9912 Cash Road	3,900	Owned	1992
Stafford Campus D	9913 Cash Road	3,900	Owned	1992
Stafford Campus E	9914 Cash Road	480	Owned	1992
Stafford Campus F	9915 Cash Road	2,880	Owned	1992
West Loop Center	610 West Loop North	73,000	Owned	Spring 1999
West Loop Center - Vacant	610 West Loop North	126,000	Owned	n/a
West Loop Center - Vacant	610 West Loop North	70,112	Owned	n/a
Total Gross Square Feet Area		**521,831**		
SYSTEM ADMINISTRATION				
System Administration	3100 Main	320,944	Owned	n/a
Tenant Space	3100 Main	109,800	Owned	n/a
Parking Garage	3220 Main	488,660	Owned	n/a
Total Gross Square Feet Area		**919,404**		

Campus Total	**2,101,507**		
Administrative Total	**919,404**	**Owned**	**Leased**
Total Area	**3,020,911**	**2,771,717**	**249,194**

Prior to 1997, HCCS offered a significant majority of its programs and classes in the evenings and on weekends in facilities provided by Houston Independent School District (HISD) high schools. Starting in 1997, the HCCS facility inventory began transition to system-owned and operated campuses throughout the district. From 833,339 GSF in 1989, the system's instructional space has grown to 2,101,507 in 2002. **Exhibit 10-2** shows the historical growth in space at HCCS.

Exhibit 10-2
HCCS Growth of Primary Building Space in Gross Square Feet

Location	Prior to 1990	1990-1995	1996-1998	1999	2000	2001	2002	2003
Central College	761,280	0	0	0	0	0	0	36,687
Northeast College	72,059	80,500	0	138,341	0	0	0	0
Northwest College	0	0	62,645	94,796	26,123	0	14,000	0
Southeast College	0	72,145	0	221,100	0	0	0	0
Southwest College	0	109,795	99,924	269,112	0	43,000	0	0
Subtotal	**833,339**	**262,440**	**162,569**	**723,349**	**26,123**	**43,000**	**14,000**	**36,687**
Grand Total								**2,101,507**

THECB projects that HCCS full-time equivalent (FTE) student enrollment will steadily increase to 51,628 by 2015. This represents a 77 percent growth increase from HCCS' fall 2001 FTE enrollment of 29,176 students.

Exhibit 10-3 shows fall enrollment projections from 2001 to 2015.

Exhibit 10-3
HCCS Enrollment Projections to 2015

Location	2001*	2002*	2003	2004	2005	2010	2015
Central College FTEs	7,049	7,087	7,646	7,934	8,220	9,719	11,455
Northeast College FTEs	4,263	4,401	4,594	4,766	4,937	5,907	7,073
Northwest College FTEs	6,012	6,254	6,358	6,598	6,863	8,353	10,108
Southeast College FTEs	3,670	4,095	3,958	4,125	4,305	5,378	6,799
Southwest College FTEs	8,182	8,574	9,157	9,605	10,071	12,784	16,192
Total Campus FTEs	**29,176**	**30,411**	**31,713**	**33,028**	**34,395**	**42,141**	**51,627**

Source: HCCS, End-of-Term Fall 2002 and Fall 2003 Data Marts for unduplicated headcount by campus and college of attendance; HCCS, FTEs Enrollment Projections, May 2002; HCCS, Ten-Year Facilities Master Plan Update for capacities, July 2001; Census 2000 Redistricting Data for Adult populations, released March 2001; and THECB, Closing the Gaps Projections, May 2001.
* 2001 and 2002 Fall Enrollments are actual FTE Enrollments.

HCCS generates revenue from state reimbursement, local property tax and tuition. Since state funds do not finance capital expenditures for construction, the system funds it capital construction through bonds repaid by student fees. If designated through a general obligation bond election, tax revenue can be used for the construction of facilities; however, tax revenue cannot be used to make debt service payments for student revenue bonds. The system plans to issue general obligation bonds in 2003 or 2004 to fund additional expansion and facilities development.

From 1997 to 2001, almost $200 million in student revenue bonds have been issued by HCCS for real estate and building acquisition, new facilities construction and building renovations. **Exhibit 10-4** shows student revenue bonds and their uses from 1997 to 2001.

Exhibit 10-4
HCCS Student Revenue Bonds and Purpose

Year	Bond Amount (in Millions)	Use of Proceeds
1997	$23.0	Construct West Loop Campus
1998	$50.0	Construct Codwell, Coleman and Morales (Eastside Annex) Facilities
1999	$50.0	Acquire 3100 Main Building and Construct Highway 288 Campus
2000	$8.4	Complete Renovations at 3100 Main
2001	$30.0	Renovation of Central Campus
2001	$38.0	Defeasance of 1997 Bond Issue
Total	**$199.4**	

Source: HCCS, Interview with vice chancellor for Finance and Administration, November 2002.
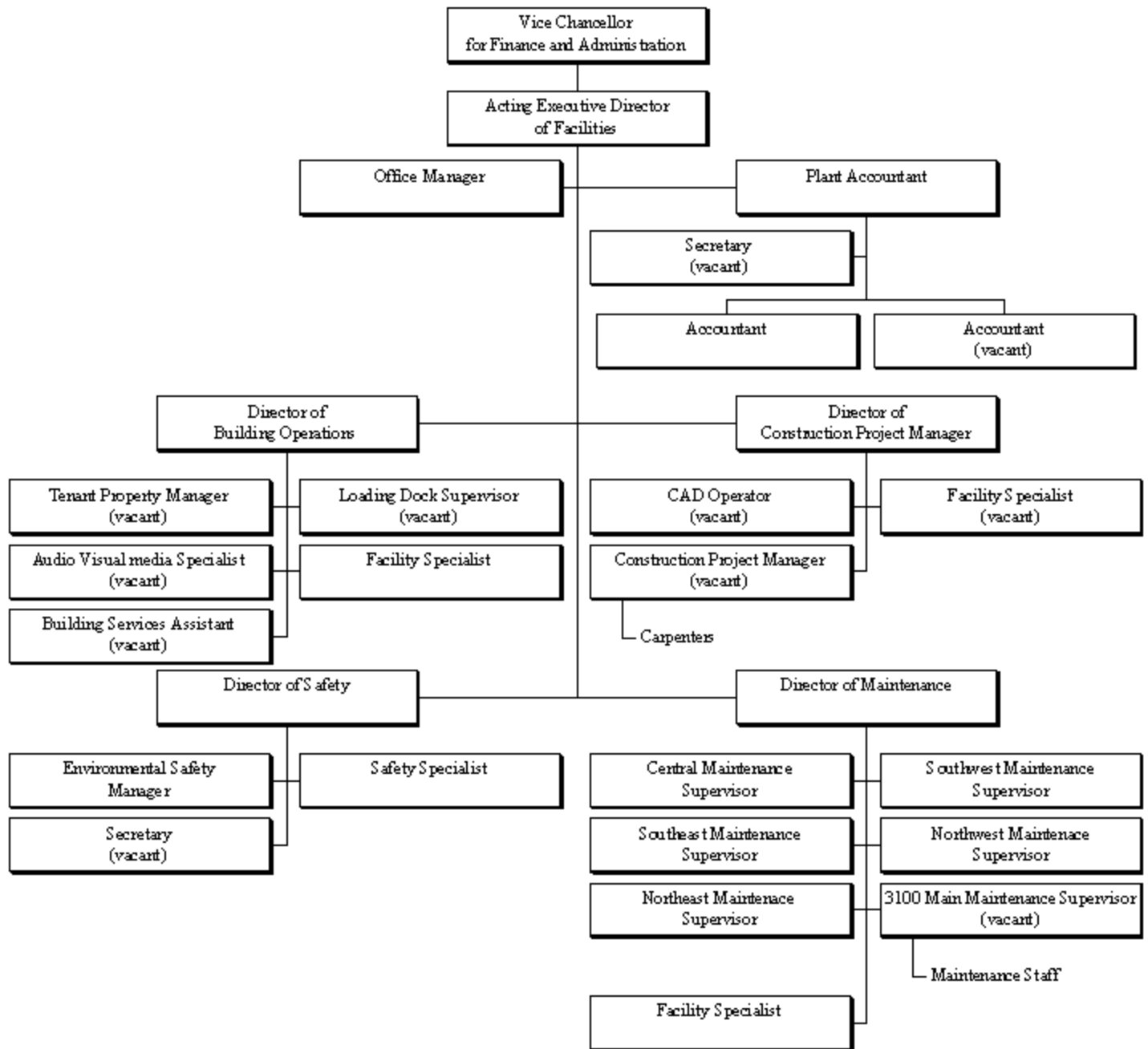
Chapter 10
PLANT OPERATIONS AND MAINTENANCE

A. *Organization and Management*

Originally, the HCCS plant operations and management organizational structure was decentralized, with each of the five colleges managing its own facilities. However, in 2002 the system changed to a centralized organizational structure that will provide plant operations and maintenance support to the five colleges through a single Facilities Department that consists of Building Operations, Safety, Maintenance and Construction Project Management. An executive director of Facilities, who reports to the vice chancellor for Finance and Administration, supervises the department. **Exhibit 10-5** shows the 2002-03 Facilities Department organization plan.

Exhibit 10-5
HCCS Facilities Department Staffing Plan
2002-03

Vice Chancellor for Finance and Administration
└ Acting Executive Director of Facilities
  ├ Office Manager
  ├ Plant Accountant
  │ └ Secretary (vacant)
  │   ├ Accountant
  │   └ Accountant (vacant)
  ├ Director of Building Operations
  │ ├ Tenant Property Manager (vacant)
  │ ├ Loading Dock Supervisor (vacant)
  │ ├ Audio Visual media Specialist (vacant)
  │ ├ Facility Specialist
  │ └ Building Services Assistant (vacant)
  ├ Director of Construction Project Manager
  │ ├ CAD Operator (vacant)
  │ ├ Facility Specialist (vacant)
  │ └ Construction Project Manager (vacant)
  │   └ Carpenters
  ├ Director of Safety
  │ ├ Environmental Safety Manager
  │ ├ Safety Specialist
  │ └ Secretary (vacant)
  └ Director of Maintenance
     ├ Central Maintenance Supervisor
     ├ Southwest Maintenance Supervisor
     ├ Southeast Maintenance Supervisor
     ├ Northwest Maintenance Supervisor
     ├ Northeast Maintenace Supervisor
     ├ 3100 Main Maintenance Supervisor (vacant)
     │ └ Maintenance Staff
     └ Facility Specialist

Source: HCCS vice chancellor for Finance and Administration.

HCCS issues an annual contract for a system architect, who provides facility planning, limited space planning and master planning services systemwide. A local architectural firm has had the contract for three years. Using local contractors selected through a traditional design-bid-build process, the Construction Project Management Department manages all construction projects greater than $25,000.

Prior to 1997 when classes were held in HISD high schools, HCCS did not need a Facilities Department. Even after HCCS began developing colleges it owned or leased, the system did not recognize a need for a Facilities Department. Each college provided its own facilities staff, contracted independently for

outside services and managed any onsite construction through their offices in an autonomous fashion. While college facility managers often lacked formal training or certification in facility design and construction, the staff developed considerable expertise and successfully completed several large-scale projects.

FINDING

HCCS' central facilities management organizational structure is not aligned with individual college maintenance operations, which has led to frustration at the college level. In addition, the roles and responsibilities of the central Facilities Department and the individual colleges are not well defined and are poorly communicated. The five-year transitional period for the facilities organization has involved continual change, restructuring, shifting responsibilities and a disorganized central facilities management function. This continued reorganization process has left the individual colleges concerned that a centralized facility management function cannot adequately serve the individual colleges. The colleges are also skeptical of the Facilities Department's commitment to serve the colleges and involve the colleges in the decision-making process.

The decentralized structure of the Facilities Department and the management practices of its first director of Facilities created a state of confusion among the department and other colleges generating internal communication problems, duplicate reporting lines and low morale. In 2000, an new interim executive director of Facilities was appointed. The vice chancellor for Finance and Administration has been provided overall direction regarding the development and evolution of the department. Since 2000, the department has added 27 staff members and eight unfilled positions. The system wants to shift the decentralized plant and maintenance operations managed by each college to a centralized facilities function that will monitor and manage maintenance and construction activities from a systemwide perspective by the end of 2003. The system hired a new executive director to start work March 2003.

The 2002-03 organization of the Facilities Department (**Exhibit 10-5**) is the result of five years of evolution. Within this organization, each college has a supervisor, who reports to a central director of Maintenance. A central director of Construction Project Management manages all construction projects. The Facilities Department uses minimal staff to manage and maintain the facilities inventory, with an informal plan that the transition period to a central maintenance management structure will take place over a one-year period, concluding in 2003. The use of contracted services for virtually all building support functions, including mechanical services, controls monitoring, energy management, janitorial and grounds has enabled the department to operate at minimal staff.

Poor communication and coordination, continued changes in roles and responsibilities and departmental miscommunication continue to foster a lack of respect and trust between the colleges and the Facilities Department.

The colleges lack knowledge of stated policies and procedures so they are not always followed. As a result, the colleges are concerned that indirect supervision by a central director of Maintenance will not allow them the onsite control necessary to maintain their facilities and provide the level of service expected by students and staff at the college. According to a one-year transition agreement, college operations officers (COO) understand that Maintenance supervisors at the individual colleges are supposed to report to them, with secondary coordination reporting to the central director of

Maintenance. However, the director of Maintenance is responsible for directing daily activities, as well as approving vacation requests, time record keeping and operations policy and procedures. In practice, neither the management control nor the budget ramifications reflect reporting to the COO.

The individual colleges continue to operate under a decentralized structure out of concern that the facilities are maintained properly and a belief that the college serves as the best entity to perform the facility maintenance role. On the other hand, the centralized facilities department attempts to maintain all facilities from a central systemwide departmental structure. The Facilities Department has met resistance that, in some cases, undermines its ability to perform the maintenance activities to the satisfaction of the colleges. These issues have resulted in policy and procedure inefficiencies. The colleges are also very concerned about the budgeting process and the allocation of facility-related expenses controlled by a central entity for the college's budget.

For example, at the Westgate campus the COO reported that the funds the college budgeted for heating ventilation and air conditioning (HVAC) would be insufficient to cover expected expenses by March of 2003, approximately half way through the year. The COO said the college was not included in the budget process and that the allocation provided by the system was reduced substantially from the previous year allocation of $87,000. The director of Maintenance said that the executive team set the budgets at the system level.

North Harris Montgomery Community College has a work control center that effectively supports its facilities and operations plan for maintenance and construction projects. This centralized form of facility support works well.

Recommendation 94:

Hold a "partnering session" with all college facility representatives to jointly define roles and responsibilities and establish lines of communication to ensure the success of the current structure.

HCCS must solidify the organization structure and conduct a partnering session between the central Facilities Department and the college operating officers, coordinators and maintenance supervisors to work out the roles, responsibilities, reporting structures, performance measures and the budgeting process. A centralized Facilities Department will benefit HCCS; however, it must respect the needs of the individual colleges and provide a degree of service that continues to solicit input from the colleges in a coordinated team approach. Subsequent to the agreements worked out in the partnering session, policies and procedures should be adjusted to reflect the agreement and the changes should be implemented for a minimum period of one year. After one year, HCCS should evaluate the changes with qualitative and quantitative performance measures for necessary adjustments to the roles, responsibilities, reporting structure and supporting budgets.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The executive director of Facilities drafts a comprehensive organization reporting structure that includes the college's COO and campus coordinators.	July 2003
2.	The COOs meet with the executive director of Facilities, the director of Maintenance and the	August

	director of Construction Project Management to define roles and responsibilities for the organization.	2003
3.	The executive director of Facilities coordinates development of a comprehensive set of policies and procedures to be followed within the centralized Facilities departmental structure.	September 2003
4.	All members of the campus facilities staff and the Facilities Department meet for a two-day partnering session to introduce all of the policies and procedures to the employees, refine budget process procedures and to identify potential problems with the proposed structure.	September 2003
5.	The executive director of Facilities develops and documents a formal agreement with the colleges to be reviewed with a customer response scorecard after a six-month and one-year period.	October 2003

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 10
PLANT OPERATIONS AND MAINTENANCE

B. Facilities Condition and Planning

Effective long- and short-range planning is essential to managing an organization's portfolio of space. Effective planning depends on the system's knowledge of the facility inventory, including area and space usage, the condition of that space, enrollment projections relative to a particular college, existing utilization rates for instructional space and the timing for additional space needs.

Facility planning is a specialty service within the architectural and engineering (A/E) industry. A number of software tools assist facilities departments with space management, including facility assessment software, enterprise-wide financial management applications, construction management scheduling and tracking, computerized maintenance management work orders and facility management programs capable of monitoring space inventory levels and other aspects of the space inventory for leased or owned facilities. With a sound data foundation, a comprehensive long-range master plan can be produced and updated annually.

With the exception of the Central College, HCCS facilities are predominately new or newly renovated. Parking appears adequate at most locations with only few reports of shortages. For the most part, facilities are well maintained and clean. Since the average age of HCCS space is less than six years old, excluding the central campus, the Americans with Disabilities Act of 1990 (ADA) provisions were met as part of the building permit process.

The system architect and other outside consultants prepared a 10-year facilities master plan in 1999 and updated it in 2001. This updated master plan addressed seven facilities issues:

- unification of system facilities within a central identity methodology;
- elimination of inappropriate facilities through sale or disposition;
- placement and size of proposed facilities;
- determination of short and long term parking requirements;
- interior circulation;
- coordination of mass transit; and
- relationship of college facilities to surrounding neighborhoods.

The master plan document provides enrollment projections (**Exhibit 10-3**), linking to the 1999 master plan recommendations, space requirements and construction guidelines and campus-by-campus recommendations for facilities development. This master plan does not include master plan cost estimates for design and construction. On October 19, 2002, a *Special Briefing on Annexation Issues* was presented to the board by a team of consultants and HCCS staff. The briefing used the *Master Plan 2001 Update* to provide information about facilities needs and long-range planning requirements based upon several potential annexation scenarios. This plan includes a comprehensive analysis of revenues, enrollment projections, space requirements and the construction funding necessary to meet projected enrollment. As of November 2002, the board had not acted on the master plan which, according to the special briefing documentation, will require $1.125 billion in additional bond funding through the year 2015. The first major funding requirement will be for approximately $344,520,000, as a first phase general obligation bond to be issued in 2003-04 pending voter approval.

Exhibit 10-6 shows projected enrollment, square footage area and funding requirements from the *Special Briefing on Annexation Issues* report. These figures include the projected full-time equivalent enrollment projections through 2016, which forecast an increase of more than 263 percent from 2003-04 and 270 percent from 2002-03. The associated square footage required to house these students, based on the 2001 master plan update, is also shown with the corresponding square feet for each full-time student equivalent. The facilities funding requirement serves as a cost estimate for the volume of construction, which totals more than $1.125 billion between 2003 and 2016, necessary to house the projected full-time student equivalent enrollment.

Exhibit 10-6
HCCS Annexation Funding Requirement Projections

	2002-03	**2003-04**	**2007-08**	**2011-12**	**2015-16**
Full-time Student Equivalent	30,411	31,713	37,307	43,887	51,628
Total HCCS Square Footage*	2,532,251	3,488,478	4,103,770	4,827,586	5,679,068
Square Footage for each Full-time	83	110	110	110	110

Student Equivalent					
Facilities Funding Requirement	$0	$342,792,667	$421,701,333	$361,455,086	$0

FINDING

HCCS uses a process and analysis model to project long-range space and funding requirements. A joint effort between the Office of Institutional Research and the Facilities Department involves consolidating enrollment projections, existing space inventory and THECB space parameters into a long-range space forecast. The process involves calculation of student capacity at each building on every campus at HCCS. The existing gross square footage (GSF) at each of these locations is divided by the student capacity to obtain the existing GSF/full time student equivalent factor.

This figure is then compared to the THECB standard for classroom utilization to identify the current space shortfall. Using the Office of Institutional Research annual enrollment projections through 2015, the model then projects total student enrollment and calculates the total instructional, administrative and common space required to accommodate the projected enrollment for each year. The model was used as supporting analysis for the special briefing presented to the board in October 2002. The facility needs model allows the system to compare facility needs, revenue sources and enrollment to provide a reasonable assumption for space needs and the associated funding requirement.

COMMENDATION

HCCS uses a process for projecting enrollment and modeling projected space requirements that is comprehensive and provides a reasonable forecast for use in long-range master planning.

FINDING

The board has not adopted a strategy to annex additional service areas or the associated master plan, limiting the system's ability to increase revenues and plan for securing additional revenue sources to fund facilities construction and expansion.

Section 255.003 of the Texas Election Code prohibits the system from using public funds for political campaigns for annexation. However, the system can provide information and materials about annexation and the educational benefits HCCS provides. Section 255.003 of the Election Code states:

> *An officer or employee of a political subdivision may not spend or authorize the spending of public funds for political advertising. This section does not apply to a communication that factually describes the purposes of a measure if the communication does not advocate passage or defeat of the measure.*

Annexation is a process, defined in the Texas Education Code (TEC) Section 130 whereby communities within HCCS's service area may become a part of its taxing jurisdiction. An important distinction must be made between a community college's service area and its taxing district. The Legislature has assigned each community college within the state a defined service area. The service areas are composed of and defined by the geographical boundaries of specific school districts within the service area. These school districts are either in-district or out-of-district. They are considered in-district if they have been annexed and the college taxes residents within the school district. If the college does not assess taxes, the school district is considered out-of-district even though it is still in the service area.

Another important point is that school districts cannot be forced to annex. Yet, the challenges of helping communities understand the value of a community college in terms of access to higher education, highly skilled workforce and sustained economic development is immense. The process, which is by nature complicated and politically sensitive, involves building relationships over long periods of time with community residents and civic and business leaders. These stakeholders must be convinced that the college's value to the community outweighs the burden of taxation.

In 1995, the Texas Education Code §130.182 established HCCS' service area as including the Katy, Spring Branch, North Forest and Alief ISDs and the Stafford Municipal School District, even though these districts do not pay taxes to HCCS. State law governing the annexation of a service area varies depending upon the type of territory. The procedure generally includes either a board action item by the school district calling for

election or a petition by the territory, followed by a vote of the taxpayers within the territory.

The board is considering whether facility development should be "need-based," placing instructional services where there is the greatest need in the community, or "demand-based," placing the instructional offering where there is the greatest demand in the community. This issue is relevant since a community may need increased access to higher education instruction. However, those communities may not necessarily take advantage of course offerings. Placing facilities in higher demand areas may achieve increased system revenue from annexation of high tax base properties, but may not satisfy areas where the need for higher education access is greatest.

The master plan cannot be finalized without direction from the board regarding future annexation areas. Annexation areas will impact course offerings and will dictate the type and amount of additional square footage required to accommodate projected enrollments. Annexation strategy will also impact when new facilities must be available.

Some community colleges have benefited from the formation of citizens groups comprised of civic and business leaders who spearhead efforts to educate the public about various issues. Private interests often form political action committees to support a particular candidate or issue. Although HCCS is prohibited from using public funds for this purpose, private citizens are not. Such groups commonly form to promote school district bond elections. The success of Austin Independent School District's 1996 $369 million bond election was due, at least in part, to the efforts of such a group. Most community colleges in Ohio must have their taxing authority approved by voters every five years. These colleges must raise private money for advertisements, handouts, mailings and other promotional material. Private groups in Cleveland Ohio have been successful in raising money to get out the vote on reauthorized taxing authority for Cuyahoga County Community College.

Recommendation 95:

Encourage out-of-district business and community leaders to educate their communities about the benefits of joining HCCS.

External political action committees, composed of representatives from the communities targeted for annexation, would raise money to encourage and fund local elections, enhance awareness of HCCS in the community and assist in developing community-based strategies to promote annexation. Although HCCS has developed a number of strategies to encourage communities to annex, both funding and state law limits what

the college can do. Suggesting that business, student and community leaders spearhead independent efforts through political action committees or similar privately funded citizens groups would not only provide additional support for annexation efforts but would also allow for a broader grassroots campaign. A political action committee would allow HCCS's administration to remain in the background while the community-based group promotes the college's benefits to communities the college hopes to annex.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The Board of Trustees, president and key administration employees identify business and community leaders who might be interested in forming a political action committee to spearhead annexation education efforts.	July 2003
2.	The Board of Trustees, president and key administration employees provide information to out-of-district community leaders about the benefits of political action committees and how they can be formed and operated.	July 2003 through September 2003
3.	Private citizens in out-of-district communities form political action committees and begin activities that promote annexation.	October 2003

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

The *Master Plan 2001 Update* addressed the need for renovation and modernization at the Central College campus with recommendations for additional land acquisition and limited property disposition. However, implementation is on hold pending a study to determine its historical significance and first phase renovation activities. As of January 2003, HCCS had not acted on the recommendations for building and land parcel disposition.

The 2001 student revenue bond included $30 million in funding for this project. However, in 2001, the Assessment Report identified $49,273,910 for required repair costs and an additional $5.5 million for life cycle costs which equals $55 million.

The Central College campus renovation project has been approved since the student revenue bonds were issued in 2001. Since then, the projects have not been implemented and additional studies are underway to

continue to define the renovation program, address potential historic building considerations and reassess the master plan alternatives.

Based on interviews with the Central campus COO, the director of Construction Projects Management, and onsite visual assessment by the TSPR review team, major renovations are necessary for the buildings and the supporting infrastructure, which includes heating and air conditioning systems, electrical power supply, and plumbing. The Central campus classroom and administrative buildings were originally built in the early 1900s, the theatres in the 1920s, other additions in the 1970s and a fine arts building in the 1980s. The rest of the HCCS campuses have been newly constructed or renovated before occupancy by HCCS personnel. However, HCCS acquired the Central campus from HISD to serve as its first campus and it has not undergone necessary renovations. Four of the Central campus buildings, which were built prior to 1925, are historic buildings that could be candidates for the National Register of Historic Places.

Exhibit 10-7 shows the average age of building square footage for each of the five colleges. The average age accounts for building space built at different times and provides an indicator of overall condition of facilities at the campus location. Since the typical life cycle for educational buildings is 30 to 40 years, weighted average ages over 35 years that have not undergone significant modernization indicate a severe need for renovation. Adjustments have been made for renovations and recent occupancy by HCCS in more recently constructed facilities. The figures do not include leased facilities.

Exhibit 10-7
Average Age of HCCS Facilities

Central	Northeast	Northwest	Southeast	Southwest
1959	1994	2000	1997	1998
44 Years Old	9 Years Old	3 Years Old	6 Years Old	5 Years Old

Source: HCCS acting executive director of Facilities, Analysis Matrix, Building List, November 2002; Houston Community College Assessment Report, August 16, 2001.

The Central College facilities, particularly the San Jacinto Memorial building at 1300 Holman, need immediate repair. The campus infrastructure has exceeded its useful life and has required the use of temporary backup utilities and air conditioning chillers. A consultant has been retained to study renovations at the San Jacinto Memorial building, but recommendations have not yet been released.

The physical fitness gym at the rear of the San Jacinto Memorial building requires renovation and possibly complete replacement. With the exception of the roof structure, the building dates to the early 1900s. The roof structure for the gymnasium was replaced in the mid 1980s and, while a roof assessment has not been made, stains at the ceiling indicate a leak. The wood floor is worn and the outside corners are severely damaged from floods and termites. Safety concerns include the concrete seating structure and exterior walls, which are only a few feet from the edge of the court. One corner of the building structure is settling and the wall is beginning to show horizontal cracks. The review team also observed that air diffusers, devices made of slats at different angles used for deflecting air from an outlet in various directions, have been retrofitted with chains that are potentially unsafe. One of the air diffusers fell from the ceiling in the gymnasium several years ago.

The Council for Educational Facility Planners International (CEFPI) uses a Facility Condition Index (FCI) to indicate a building's condition. The FCI is calculated by dividing a building's total repair costs by the total cost to replace the building. The THECB standard for FCI is 5 percent or less. The total repair cost should include the identified deficiencies and the life-cycle capital renewal costs for systems that are projected to reach the end of their useful life in the next three years. The Association of Higher Education Facilities Officers (APPA) suggests that an FCI of less than 6 percent indicates good condition, an FCI between 5 and 11 percent indicates fair condition and an FCI above 10 percent indicates a building in poor condition. The overall FCI for the Central campus is 45.3 percent, indicating a very poor building condition. **Exhibit 10-8** shows the FCI for all Central College buildings.

Exhibit 10-8
Average Facility Condition Index for Central College Buildings

Building	Replacement Value	Facility Cost Summary	Life Cycle Cost 2002-2004	Total Repair Cost	GSF Facility Cost	FCI
Business Careers Center II	$5,569,124	$301,500	$174,333	$475,833	$8.22	8.5%
Child Development Center	$490,592	$246,510	$0	$246,510	$82.17	50.2%
East Wing	$9,715,090	$3,951,520	$122,694	$4,074,214	$65.31	41.9%
Fine Arts Center	$13,691,132	$377,700	$2,739,810	$3,117,510	$5.01	22.8%

Heinen Theatre	$4,522,174	$260,000	$739,036	$999,036	$14.44	22.1%
J.B. Whiteley	$19,709,460	$4,926,708	$0	$4,926,708	$48.30	25.0%
J.D. Boney Building	$5,314,050	$301,500	$179,922	$481,422	$8.61	9.1%
Refugee Program	$496,363	$208,646	$27,648	$236,294	$68.59	47.6%
San Jacinto Memorial	$41,792,560	$31,756,680	$0	$31,756,680	$184.63	76.0%
Staff Instructional Services	$3,521,504	$1,132,907	$431,595	$1,564,502	$51.97	44.4%
Theatre One	$6,154,338	$1,197,526	$899,160	$2,096,686	$54.68	34.1%
Upward Bound	$262,573	$161,193	$90,262	$251,455	$89.55	95.8%
West Wing	$9,715,090	$4,451,520	$122,694	$4,574,214	$73.58	47.1%
Subtotal	**$120,954,050**	**$49,273,910**	**$5,527,154**	**$54,801,064**	**$80.56**	**45.3%**

Source: Houston Community College Assessment Report, August 16, 2001.

Colleges and universities follow a program and design process for major construction projects that includes definition of requirements to identify all of the space needs and an outline specification of building requirements. Based upon the program of requirements, colleges establish a construction budget to include all associated design, engineering, testing and project contingencies, which are called "soft costs." The college board approves the budget and hires an architectural firm to develop a design. For projects where the design involves renovation and structures with historical significance, the firm that is retained typically either has or subcontracts with a design firm with historical structures expertise. An assessment of historical features is created as part of the design scope of work.

Once a design is complete, the college issues the project, awarding a construction contract to the most qualified firm. Either a construction manager or the architectural design firm monitors construction for progress and quality review until the construction is complete and the project is handed over to the owner following final inspection. The process typically takes approximately nine months for design and between 12 and 14 months for construction, depending upon the size of the project.

Development of the architectural program of requirements, which typically costs 15 cents for each square feet of space to be constructed, is called out as an additional service in the American Institute of Architects (AIA) standard contract for architectural design services. The architectural and engineering fee guidelines established by the AIA for design and construction administration services range between six and eight percent of total construction costs, depending upon the complexity of the renovation project.

Recommendation 96:

Move forward with authorized and voter-approved renovation projects.

The board and administration must immediately move forward to approve the master plan, annual enrollment projections, student capacities and the courses to be taught. Once the project is defined in a written and concise architectural program that includes a balanced budget, the architect can be qualified, a design fee can be negotiated and the selected architect can be retained so that design and construction can begin. This process will reduce the time to construction and reduce the cost associated with developing the scope of work to be completed for new construction and renovation projects. The first project to benefit from this process should be the San Jacinto Building at Central College.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The executive director of Facilities, with the assistance of the director of Construction Projects Management, develops a priority listing of projects with estimated costs and time schedules for each recommended project.	July 2003
2.	The executive director of Facilities submits the priority listing of projects to the chancellor and then to the board for approval.	August 2003
3.	The executive director of Facilities provides the director of Purchasing with specifications for requests for proposals for design professional services.	September 2003
4.	The director of Purchasing advertises the request for proposals and assists in the evaluations of proposals received.	October 2003
5.	The executive director of Facilities recommends design professional firms that receive the highest scores to the chancellor and board for approval.	December 2003
6.	The director of Construction Projects Management works with	January 2004

	selected design professional in the preparation of construction specifications and oversees the award of construction contracts.	
7.	The executive director of Facilities presents monthly construction projects status reports to the chancellor and board.	January 2004 and Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 10
PLANT OPERATIONS AND MAINTENANCE

C. Construction Program Management

The director of Construction Projects Management oversees construction management for HCCS. This function has one construction project manager and two carpenters. There is a vacant position for a computer aided drafting (CAD) operator. Interviews to fill that position were scheduled the second week of February, which would bring the department's total budgeted staff to four employees. The department plans to add project managers as construction volumes increase, with an offer for one additional project manager made in February. The project managers will continue as the facility representative after construction finishes.

The newly formed department currently manages 40 projects, representing roughly over $50 million in construction. Assuming the board approves an annexation plan and the voters approve a general obligation bond anticipated for 2004, the volume of construction could increase to approximately $400 million to be implemented during a five-year period. **Exhibit 10-9** shows the projects underway at HCCS.

Exhibit 10-9
HCCS Capital Construction Projects
February 2003

Campus	Project	Status	Budget
Central	Willie Lee Gay Hall	In Progress	$7,715,842
Central	Central Bond Projects, including:	Proposal/Planned	$30,619,300
Central	Child Care Center		
Central	Interim renovation San Jacinto Bldg		
Central	Renovate East Wing		
Central	Multi-purpose, student services/Library Building		
Central	Parking Garage on Central Campus	Design Phase	
Central	Campus Central Cooling and Heating Plant	Ready to Start	$325,000
Central	SIS Building Roof	In Progress	$261,000

Central	SIS Building HVAC	In Progress	$250,000
Central	Theatre One Elevators	In Progress	$40,000
Central	Central College Transformer	Planned	$1,000,000
Central	Heinen Theater and Fine Arts Waterproofing	In Progress	$123,721
Central	CEC1	In Progress	$48,522
NW	Town & Country Science Labs and classrooms	In Progress	$98,055
NW	Town & Country Building Theatre	In Progress	$34,618
NW	Town & Country Roof	In Progress	$55,000
NW	Town & Country HVAC	In Progress	$500,000
NW	Westgate Buildout	In Progress	$131,922
NW	Lumpkins Property Purchase and Asphalt	Planned	$338,000
NW	Baby R Us Buildout	Evaluating	$1,935,627
SE	Felix Morales Water Intrusion	In Progress	$1,200,240
SE	Felix Morales ADA and Code Issues	In Progress	$9,250
SE	Health Science Bldg: Occ Therapy Lab Renovation	Planned	$2,508
SE	Renovations	Planned	$65,000
SE	Eastside Annex	Planned	$10,496
SE	St. Andrew's Purchase/Related Cost	Evaluation	$826,000
NE	Codwell Renovations	Planned	$65,000
NE	Codwell Hall Frost Property	In Progress	$150,000
NE	Transportation B Roof and HVAC	In Progress	$200,000
NE	Roland Smith Driving Range	Evaluation	$150,000
NE	Northline HVAC Replacement	In Progress	$40,000
SW	Gulfton Cosmetic and Electrical Panel	Design Phase	$200,000
SW	Gulfton Replace Classroom Carpet	Planned	$9,359
SW	Alief Roof Repair	In Progress	$35,000
SW	Stafford Parking Lot	Complete	$50,000

SW	Stafford Library Expansion	Planned	$3,604
SW	Scarcella Chiller	In Progress	$125,000
SW	Scarcella Cosmetic	In Progress	$100,000
SW	Missouri City Land Purchase	Complete	$2,200,000
SW	West Loop Build Out	Design Phase	$700,000
System	3100 Main Electrical	Design Phase	$80,000
System	Parking Facilities Renovations	Planned	$49,537
System	Phase II Assessment	In Progress	$474,481
System	ENCO System Loan Repayment and Residual	Planned	$430,976
		Total	**$50,653,058**

Source: HCCS vice chancellor Finance and Administration, February 2003.

According to the executive director of Purchasing, HCCS procurement policy requires that projects less than $2,500 be managed directly by each college, using an established vendor. For projects between $2,500 and $10,000, the individual colleges manage the project, but must receive three price quotes. For projects between $10,000 and $25,000, colleges must follow the procurement process and use vendors from an approved vendor-pricing list with three bids received. For projects greater than $25,000, an RFP must be issued with a vendor selection process managed by the Purchasing Department and the Construction Project Management Department. Colleges rely on the director of Construction Project Management to aid in developing contract specifications, project oversight, accounting and payment of application approvals. Since responsibilities have been assigned to the individual colleges in 1997, the colleges established COOs and coordinators who are knowledgeable about building operations, property management and facility construction. The Construction Management Department plans to manage all construction projects internally with increased staff as construction volume warrants.

The Construction Management Department uses word processing and spreadsheet software to track project status and budgets. These sheets are transmitted to the capital project manager, who tracks the contracted amounts and enters the purchase orders into the financial management system. The department also posts a construction project list on the HCCS Web site. The list provides information on college locations, project title, responsibility, start and end date and the project's status. This information is also tracked in a spreadsheet.

The department has developed an *Office of Facilities Management Construction Project Management Manual* that includes goals, objectives and policies for construction related projects. The manual consists of three pages of policies and 22 pages of outline specifications for construction projects.

The department chair position at each of the colleges performs course scheduling. Rooms are assigned to departments, and the chair develops the schedules utilizing the assigned rooms. Few changes are made to the schedule from one year to the next. HCCS prints and circulates the schedule submitted by department chairs. The schedule, which HCCS posts on its Web site, is organized by college and location.

FINDING

In developing the West Loop campus in 1998, HCCS partnered with Christ the King Presbyterian Church to leverage construction funds without affecting building utilization. The campus location for Southwest College at 610 West Loop North is a converted retail center. The conversion has a central main street conveniently located for access to student services. Classrooms are located behind the main street in an efficient configuration. The campus includes a renovated 600-seat auditorium located just off the main entrance. This auditorium space is a flat floor facility with moveable seating, which enables the facility to serve multiple functions throughout the year. The facility is equipped with high quality sound and lighting equipment.

Following the planning and construction stages, HCCS worked with a local church that needed meeting space on Sunday mornings, a time when the college is traditionally closed. In an innovative joint-use agreement, the church has provided approximately $1 million to reimburse the build-out cost in exchange for exclusive use on Sunday mornings. The church use does not affect the schedule of the campus and provides the entire system with a unique space.

COMMENDATION

HCCS effectively used a community partnership to obtain funding for construction of a shared assembly space.

FINDING

The Construction Management Department is inadequately equipped to manage large-scale construction projects proposed in the master plan. The four-person department staff cannot manage the volume of projects anticipated for the future without outsourcing project management

functions to a construction or program manager. Architectural design is outsourced in conjunction with a contracted system architect, but construction management is generally executed with internal resources.

Chapter 44 of the Texas Education Code allows educational entities to retain architects, engineers and contractors within a vast array of contracting strategies that includes traditional design-bid-build, as well as other newer delivery methods, including design-build, privatized lease-back, Construction Manager-Agent (CMA), construction manager-at-risk and negotiated bids. These delivery strategies all have advantages and disadvantages to the owner and the resulting cost of the project. HCCS may choose to use a number of these delivery methods as the volume of construction increases. Each of these delivery strategies requires a number of specific disciplines and expertise that are rarely found in an institutional facilities group, especially one that consists of fewer than 10 people. In addition, the market for construction related services has driven salary requirements higher and higher, reducing the ability of institutional organizations to attract and retain top talent in the industry. This was evidenced recently when the selected executive director of Facilities rejected the system's offer of employment. The vice chancellor for Finance and Administration had to reinitiate the selection process.

Increasingly complex technologies used in the Architectural/Engineering/Construction (AEC) industry require continual training to ensure technological competency. The salary constraints and the requirement for continued industry training will make it difficult for HCCS to attract and retain the staff necessary to manage the upcoming volume of construction.

Many off-the-shelf construction software and custom-developed software products are available. Successful programs use two methods for establishing and implementing these types of standards, policies and procedures: internally develop protocols on an as-needed basis with periodic updates or acquire these items by hiring a program or construction manager. This method is usually associated with large bond programs greater than $200 million. An institution may choose to use either or both methods.

Recommendation 97:

Implement a construction program management system to manage, track and report construction projects.

A sophisticated program management system should be implemented for the upcoming capital construction program. The software should provide for online distribution of a comprehensive construction project

management manual of policies, procedures and standards. The management system should also track schedules and construction progress, construction budgets and budget variances, change orders and requests for information.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The director of Construction Project Management develops a profile of all anticipated construction projects, determines possible needs and examines existing software capabilities available in the marketplace.	July 2003
2.	The vice chancellor for Finance and Administration and director of Construction Project Management develop a request for proposal for a software system.	August 2003
3.	The vice chancellor for Finance and Administration accepts proposals and makes a recommendation to the board.	October 2003
4.	The board reviews proposals and authorizes the purchase.	November 2003
5.	The director of Construction Project Management develops and implements procedures and protocols for HCCS managed construction projects using the newly purchased software.	Timing Dependent upon passage of General Obligation Bond

FISCAL IMPACT

Construction program management software is typically sold with a license for each concurrent user. The cost of the license is estimated at $2,495 as a one-time cost per user, with technical support at $499 per user, per year. In addition to the management application, there are one-time costs to purchase scheduling modules that cost $495 per user. The license renewal fee after the first year is estimated at $1,995 for each user.

Assuming five concurrent licenses, the one-time costs for the first year will be $14,950 ($2,495 software license + $495 scheduling modules = $2,990 x five licenses total $14,950). Beginning in 2004-05, the annual costs will be $12,470, which includes for each user for each year, $499 technical support and the technical license renewal ($499 + $1,995 = $2,494 x five licenses = $12,470). Training for the program management system will include five days custom training at HCCS for five people for a total cost of $7,500 (5 x $1,500 = $7,500).

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08
Implement a construction program management system to manage, track and report construction projects.	$0	($12,470)	($12,470)	($12,470)	($12,470)
Purchase software.	($14,950)	$0	$0	$0	$0
Train users on the system.	($7,500)	$0	$0	$0	$0
Net Cost	**($22,450)**	**($12,470)**	**($12,470)**	**($12,470)**	**($12,470)**

FINDING

HCCS does not maintain Computer Aided Drafting (CAD) files for most of its facility inventory. The system architect maintains CAD files, which have been developed or collected as part of master planning or selected facility improvement activities. However, these documents are not consolidated into a single location and are not organized in a file or naming convention that promotes easy retrieval of documents. In addition, no single understanding of CAD file documentation exists. The review team requested a CAD file inventory and received a 92-page printout of computer file storage directories distributed among six architects. The volume of files constituted 3,271 files distributed within 453 directories. Of these files, only seven of the 41 locations could be intuitively identified from the file naming conventions. While several facility locations are likely to have CAD documentation, the organizational state prohibits identification or use of these files in any meaningful way.

CAD files provide many benefits to facility and construction management. Most importantly, CAD files provide accurate area measurements for each room and building. These measurements are typically compiled into a space inventory and used for cost estimating and support classroom scheduling.

The value of an accurate space inventory is significant. When building project budgets are developed, architects and engineers usually begin with an estimate based on the area of the building. If the building area is off by 10 percent, the estimate will also be off by 10 percent. Estimates of building area are rarely accurate without the use of CAD documentation. A space inventory also helps support the assignment of classrooms. In higher education, most classrooms, excluding laboratory and specialized teaching spaces, are relatively generic and contain moveable furniture; therefore, the most important capacity measure of a classroom is the area of the room. CAD plans, particularly those integrated into facility

management software, provide accurate capacity analysis of facilities. The cost to convert existing hardcopy documentation to CAD documentation, with site plans, single line walls, door and window openings and space names and numbers, is approximately four cents for each square foot of space documented.

Large facilities organizations maintain CAD building plans and link the data to a space inventory database. Using the data allows the organizations to estimate facility renovation projects and provide accurate data to other organizations.

HCCS has an open requisition for a CAD operator. However, the volume of work to organize, consolidate and convert all the HCCS plans is substantial and beyond the capabilities of a single person.

Recommendation 98:

Convert HCCS remaining building plans to Computer Aided Drafting documentation and integrate area data with a space inventory.

HCCS should issue an RFP to convert the plans and then use an in-house resource to manage the conversion process and maintain the converted plans. In the future, HCCS should require that all architects provide CAD plans with a standard layering convention as part of their contract.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The CAD operator position is filled and begins to organize and consolidate all known files. A consolidated listing of documentation is produced.	August 2003
2.	The director of Construction Project Management and the CAD operator develop standards for CAD building plans.	October 2003
3.	The director of Construction Project Management issues an RFP for conversion of building plans into CAD files.	November 2003
4.	The director of Construction Project Management reviews proposals and makes recommendation to vice chancellor for Finance and Administration.	December 2003
5.	Vice chancellor for Finance and Administration recommends selection to the board.	January 2004
6.	HCCS issues contract to have building plans converted to CAD.	February 2004
7.	The director of Construction Project Management converts all	June 2004

	CAD documentation and a space inventory and facility management database is prepared.	

FISCAL IMPACT

Floor plan conversion from paper to computer aided drafting electronic files is a standard practice provided by architectural and engineering drafting firms. The typical charge for this service is approximately $0.04 cents for each square foot of space converted to electronic files. Based on a total area of more than 3 million square feet, the estimated cost of implementing this recommendation is $120,836 (3,020,910 x $0.04).

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08
Convert HCCS remaining building plans to Computer Aided Drafting documentation and integrate area data with a space inventory.	($120,836)	$0	$0	$0	$0

FINDING

Facility construction plant accounting is not integrated with the financial management system to provide accurate project accounting and cost containment. The plant accountant uses a proprietary internally developed accounting program, based on a spreadsheet software application, which is loaded into a database application to track costs. This approach is not showing variances in budget amounts or schedule deviances. Should HCCS be successful with its planned bond referendum and subsequent capital construction program, the processes would not be adequate for tracking costs. The capital project manager reports that projects are never over budget. This may indicate an overuse of contingency or a project budgeting system that is overestimating costs.

Plant accounting serves multiple functions, including the support necessary to ensure that the project is completed within contractual terms. In addition, plant accounting serves as a formal reporting mechanism to track specific information for individual projects, such as project budgets, budget revisions, change orders and use of contingency funds. Each of these measures is important for the effective management of construction projects and timely reporting of project status.

When plant accounting is not fully implemented, institutions cannot determine if improper payments have been made or if there are systemic problems within the management system. In addition, plant accounting

provides planning data to ongoing facility planning processes, ensuring that future construction projects are estimated correctly and feasible project budgets are established and met.

Organizations with large facilities portfolios use plant and project accounting to control and measure performance of construction projects. Features typically include procedures and technology integrated between the Accounting and Construction Project Management departments, reporting based on accounting data and strict tracking of contract modifications.

Recommendation 99:

Implement plant accounting software that is integrated with the financial management system and train the plant accountant and the director of Construction Project Management on the system.

HCCS should include capabilities for schedule tracking, budget variance and projected excess/shortfalls and provide clear, timely reporting of project status.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The plant accountant and the executive director of Facilities develop requirements for project accounting software.	July 2003
2.	The executive director of Facilities issues an RFP for project accounting software or requests installation and access to the financial management system module for plant accounting.	July 2003
3.	The plant accountant, director of Construction Project Management and executive director of Facilities evaluate proposals and make recommendation to the board for a project accounting software product.	August 2003
4.	The board approves the purchase of project accounting software.	September 2003
5.	The director of Construction Project Management and plant accountant implement project accounting software within accepted accounting standard practices on either the financial management system or new plant accounting system.	October 2003

FISCAL IMPACT

The cost of project accounting software is estimated at approximately $100,000. HCCS can expect to also incur a cost of about $20,000 to implement the software, load projects and train staff. While savings will

be achieved through greater project accounting efficiencies, improved processing of payment applications, better change order management, tighter budget controls and reduced budget overruns, a quantifiable savings cannot be identified prior to full knowledge of the system and procedures chosen. As a result, savings have not been estimated.

| Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08
Implement plant accounting software that is integrated with the financial management system and train the plant accountant and the director of Construction Project Management on the system.	($120,000)	$0	$0	$0	$0

Chapter 10
PLANT OPERATIONS AND MAINTENANCE

D. Custodial and Maintenance Operations

A central director of Maintenance, using decentralized maintenance supervisors at each college, directs the Maintenance and Department Operations, with a director of Building Operations managing the 3100 Main high-rise building. The Maintenance and Building Operations departments consists of 59 positions. The custodial services and mechanical system maintenance functions are outsourced through contracted services. Maintenance representatives are assigned for all non-mechanical related functions at various building locations to respond to daily maintenance needs and custodial and janitorial emergencies. **Exhibit 10-10** shows the Maintenance and Building Operations departmental structures at HCCS.

Exhibit 10-10
HCCS Organization of Maintenance and Building Operations Departments
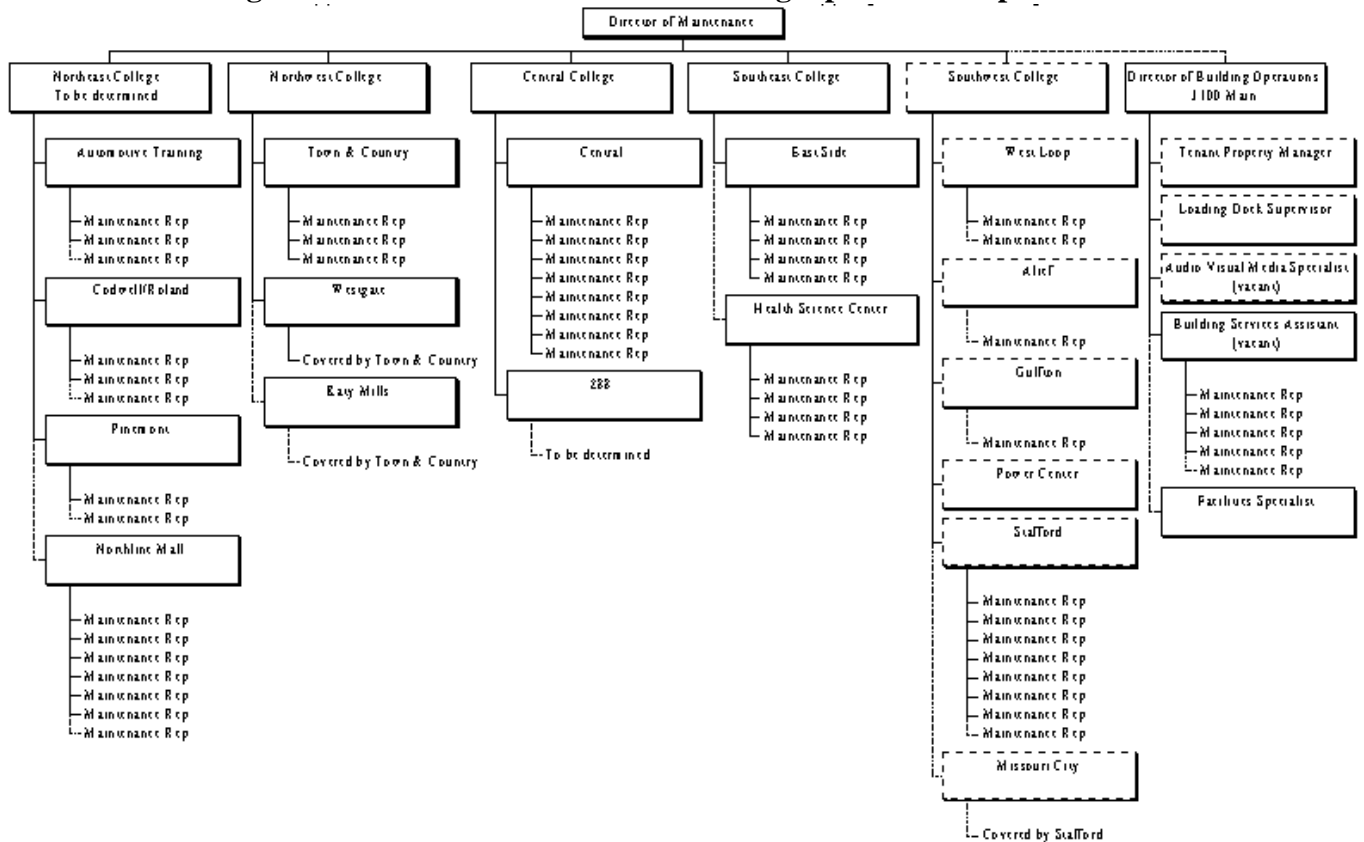
Source: HCCS organizational chart, February 2003.

FINDING

HCCS has outsourced 52 percent of the total budgeted funds for maintenance and custodial support services. The total maintenance and custodial budget for 2002-03 is $3,572,842, of which $1,864,818 has been outsourced to local private sector companies, reducing overall costs to HCCS. The average GSF cost for in-house and contracted janitorial and custodial services is 1.18 cents per square foot of HCCS space.

Campus facility locations are distributed throughout the greater Houston area and a centralized custodial operation would be difficult to manage. The individual college locations have identified the level of custodial services, including buildings and grounds, required at each location and have contracted for those services from outside vendors. The management of those contracts is handled at the local level where the concern and any potential failure to meet quality expectations can be noted on a daily basis by the COO and resolved by the custodial contractor.

In addition to the outsourced custodial support, each college has in-house custodians available to address custodial and janitorial needs. The combination of in-house and outsourced custodial and janitorial support works well, the facilities are clean and the overall cost is below industry standard cost for similar services.

COMMENDATION

HCCS uses a combination of in-house and outsourced custodial and janitorial services, managed at the local campus level, to provide quality, cost-efficient service.

FINDING

The Northeast College is experiencing a higher combined custodial and janitorial cost compared to the other four colleges and the 3100 Main administrative building. HCCS uses a combination of outsourced janitorial and custodial operators and a minimal level of maintenance personnel, to cover required maintenance and custodial needs throughout the day. Each college contracts for its own janitorial services and the scope of each outsourced contract varies depending upon the degree of leased facilities, the location of facilities within the campus, the level of service desired and the frequency of custodial activities. However, the HCCS in-house staff for each college can be equitably compared using a square foot basis.

Northeast College has the second to smallest amount of area, yet the number of in-house custodial and janitorial staff is the highest among all the colleges and the main building operations. Northeast College's average gross square foot in-house custodial cost of $1.36 is more than twice that of all remaining locations at an average cost of 59 cents. Northeast College administrators attribute the costs to grounds maintenance requirements, unique to Northeast College, for the entire campus area (67 acres) and the Automotive Technology Center.

The gross square foot cost of the outsourced janitorial portion of the budget, at 73 cents, is comparable to the remaining locations with an average GSF cost of 60 cents. The highest outsourced janitorial cost is 76 cents at the Central College, attributable to the older buildings on that campus.

Exhibit 10-11 shows the gross square feet for each college, the total maintenance and janitorial staff assigned to the college and the budgeted funds for the HCCS staff and the outsourced janitorial contracts.

Exhibit 10-11
HCCS 2002 Maintenance and Janitorial Cost Comparison

	Northeast	Southwest	Southeast	Northwest	Central	System
Gross Square Feet (GSF)	290,900	521,831	293,245	197,564	797,967	919,404
Supervisors	1	2	1	1	1	1
Staff	15	12	8	3	8	6
Total Staff	**16**	**14**	**9**	**4**	**9**	**7**
In-House Staff Cost						
HCCS Employees	$395,441	$373,218	$242,936	$142,590	$237,434	$283,400
Overtime	$5,000	$17,500	$10,500	$0	$0	$0
Staff Cost / GSF	**$1.36**	**$0.72**	**$0.83**	**$0.72**	**$0.30**	**$0.31**
Outsourced Janitorial Cost						
Janitorial Services	$212,440	$338,100	$154,000	$119,748	$603,730	$436,800
Janitorial Cost / GSF	**$0.73**	**$0.65**	**$0.53**	**$0.61**	**$0.76**	**$0.48**
Total Budget	**$612,881**	**$728,818**	**$407,436**	**$262,338**	**$841,164**	**$720,200**
Combined Budget/GSF	**$2.11**	**$1.40**	**$1.39**	**$1.33**	**$1.05**	**$0.78**

Source: HCCS, Budget Request for 2002-03, Detail Expenditures by Department, November 2002.

Recommendation 100:

Equitably allocate custodial and janitorial staff to all HCCS colleges.

Reducing the Northeast College in-house custodial and janitorial staffing from 16 total positions to seven full-time equivalent positions will reduce the average HCCS staff gross square feet cost to 59 cents, which is in line with the average of all other colleges.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The director of Maintenance reviews the skills of maintenance personnel at all colleges.	July 2003
2.	The director of Maintenance ranks skills and job performance of all staff.	August 2003

3.	The director of Maintenance aligns skills to job requirements to create a ranking of personnel by skill level.	August 2003
4.	The director of Maintenance and the COOs realign staff to campus location by skill level and experience.	August 2003
5.	The director of Maintenance reduces staff at Northeast College following realignment of positions.	September 2003

FISCAL IMPACT

The staff budget is $395,441. The average salary of $24,715 is calculated using 16 staff positions. Reducing the staff to seven full-time equivalent positions from 16 eliminates nine full-time staff equivalents. The average staff salary of $24,715, multiplied by 9, will result in an annual savings of $235,781 (9 x $24,715 = $222,435, plus 6 percent benefits of $13,346).

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08
Equitably allocate custodial and janitorial staff to all HCCS colleges.	$235,781	$235,781	$235,781	$235,781	$235,781

FINDING

The paper-based Maintenance work order process has no computerized tracking capability and is inconsistently managed. HCCS owns a license for a comprehensive computerized maintenance management system (CMMS) developed by a third party provider recognized as an industry leader in the work order management field. The director of Maintenance provided implementation plans for a CMMS system, however, the implementation project summary and the specific implementation activities are focused on implementation of an alternative help desk solution developed by a third party vendor, and adapted by the Information Technology to the Maintenance Department. The Information Technology Department concluded a minimal rollout of the help desk system for the college maintenance supervisors in November 2002. While the help desk system may supplement HCCS's short-term need for computerized work order tracking, the overall design intent of the application was not for computerized maintenance management. Therefore, it will not have many of the features that are unique to the maintenance management industry, including parts inventory and stores management, remote wireless work order request and transmission, time to complete a specific task and maintenance labor and materials costs databases.

The installed system provided limited access to the maintenance supervisor at each college location. Initial training has been completed and maintenance supervisors are beginning to enter work orders on the system. There is no system of work orders installed at HCCS that provides complete cost data on labor and materials costs for each job. Chartable work orders are not tracked separately to ensure recovery of all costs incurred. HCCS has not developed a centralized record of all maintenance performed by location within the institution, which prevents any form of preventive maintenance review or backlog reduction.

To be effective, maintenance departments need accurate and timely information about service levels, workload assignments, labor hours and costs. Without this information, administrators must rely solely on their judgment in evaluating staff performance and responsiveness. This lack of information limits the administrator's ability to develop documented support for increasing preventive maintenance or addressing deferred maintenance. *AS&U Magazine* conducted an annual study of maintenance and operations across school districts, colleges and universities in 2001. Schooldude.com also conducted a study of CMMS users in 2000. Both of these studies provided a number of useful statistics for determining fiscal impact. The studies show that a CMMS can reduce 10 minutes of time since work order requests are entered and communicated by the requester, reducing maintenance staff time required to receive and enter work order requests. An online work order system also reduces the average "check status request" from five requests for each 10 work orders to one request, further reducing the work order time by one minute for each work order. CMMS systems will provide better scheduling and logistics that result in an additional reduction of two minutes for each work order. These three parametric work order indicators will save 13 minutes of total estimated work order time.

Maintenance departments develop standard expectations of the staff hours required to complete each type of work order. The expected staff hours are compared to actual work hours to monitor staff productivity. Crewmembers are required to enter travel time on all work orders; therefore, a "service call" system can be created, significantly increasing productivity. Typical systems assign work orders by college and allot time to complete specific tasks. Building users sign work orders upon completion and record the precise time that tasks are completed.

Recommendation 101:

Implement a computerized maintenance management work order system designed to support a facilities maintenance operation equivalent to the scale of operations at HCCS.

An automated work order system should be implemented that will phase out the short-term MAGIC installation. The new CMMS system should have full functionality to support the Maintenance Department and improve maintenance response time, allow for preventive maintenance scheduling and backlog reduction and track costs and frequency of work order repairs by location and maintenance staff.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The director of Maintenance reviews the CMMS system capabilities and identifies features to use to monitor maintenance work in the system.	July 2003
2.	The director of Maintenance develops a plan for installing the third party CMMS system and phasing out the help desk short-term installation.	August 2003
3.	The director of Maintenance identifies hardware, software and staff training needs, determines a plan of action and submits it to the executive director of Facilities for approval.	September 2003
4.	The executive director of Facilities approves the plan and includes it for approval in	September

	the budget.	2003
5.	The director of Maintenance begins implementation and training for the comprehensive system.	October 2003

FISCAL IMPACT

HCCS owns a license to a third party comprehensive computerized maintenance management system. The license has not been activated and there is a potential charge to upgrade the system and activate the license of $10,000. Assuming one work order for each student enrolled, the expected work order volume for HCCS in 2003-04 is approximately 31,713. Three parametric work order indicators identify 13 minutes of total estimated work order time saved. Thirteen minutes multiplied by 31,713 work orders is 6,871 maintenance labor hours (13 minutes x 31,713 work orders/60 minutes = 6,871 hours saved). Based on these 6,871 work order hours saved per year, the department could reduce three positions [(6,871 hours saved / 2,080 hours per year (52 weeks per year x 40 hours per week)]. The average maintenance staff salary is $27,914 ($13.42 average hourly cost for maintenance staff x 40 hours per week x 52 weeks per year). The total staff savings beginning in 2004-05 would be $88,767 [($27,914 x 3 positions = $83,742 + 6 percent benefits ($27,914 x .06 = $1,675 x 3 positions = $5,025)]. The total staff savings would be $83,742 salaries + $5,025 benefits = $88,767.

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08
Upgrade computer maintenance management system license.	($10,000)	$0	$0	$0	$0
Implement and train staff on work order process.	($10,000)	$0	$0	$0	$0
Implement a computerized maintenance management work order system designed to support a facilities maintenance operation equivalent to the scale of operations at HCCS.	$0	$88,767	$88,767	$88,767	$88,767
Net Savings	**$0**	**$88,767**	**$88,767**	**$88,767**	**$88,767**

Chapter 10
PLANT OPERATIONS AND MAINTENANCE

E. Energy and Conservation Management

Energy rates vary throughout the community colleges because some institutions generate their own power, while others must negotiate with local utility companies. Regardless of how an institution accesses energy, costs continue increasing year after year. Energy conservation is critical to be fiscally and environmentally responsible.

Exhibit 10-12 showsHCCS' total utilities budgets and actual utilities expenditures for 1998-99 through 2001-02. The total cost for each gross square foot in 2001-02 was $1.70. The 2001-02 student cost based on 30,411 FTE is $166.59.

Exhibit 10-12
HCCS Utilities Budget and Expenditures
1998-99 through 2002-03

Year	Budget	Expenditures	Variance	Space (GSF)	$/GSF
1998-99	$2,890,107	$2,617,921	$272,186	1,981,697	$1.32
1999-2000	$3,582,335	$3,139,859	$442,476	2,438,564	$1.29
2000-01	$6,323,963	$5,930,077	$393,886	2,970,224	$2.00
2001-02	$6,226,659	$5,066,259	$1,160,400	2,984,224	$1.70
2002-03	$6,726,066	* $6,726,066	N/A	3,020,911	$2.23

Source: HCCS, Tracking Sheet, February 2003.
* 2002-03 Expenditure estimated at budget amount.

Exhibit 10-13 shows utilities cost comparisons between HCCS and four Texas peer community colleges. The exhibit also shows which colleges have energy management programs.

Exhibit 10-13
Electrical Cost Comparisons
HCCS and Other Texas Community Colleges
2001-02

	HCCS	Austin	San	Collin	North

			Jacinto		Harris Montgomery
Total Electrical Cost	**$5,066,258**	$1,627,103	$1,492,146	$1,507,654	$2,170,000
Electrical Cost for each GSF	**$1.70**	$1.72	$0.85	$1.52	$1.52
Energy Conservation Program	**No**	No	Yes	No	Yes

Source: Austin Community College (ACC), TSPR Peer College Data, July 2002; HCCS Utility Report, December 2002.

Over the past five years, the HCCS square feet electrical cost has varied widely, from a low of $1.29 to a high of $2.23. The ability to forecast consumption has also varied widely, from $272,186 under budget to as much as $1,160,400 under budget. When comparing the electrical consumption among peer community colleges, HCCS is second only to Austin with an actual expenditure of $1.70. HCCS has not received any grants or participated in any programs related to grant funds or energy retrofits.

FINDING

HCCS has contracted with a mechanical systems control monitoring company to provide monitoring services to increase safety, reliability and energy efficiency, including verification that all chillers, boilers and air handlers are functioning within their normal parameters. The agreement also calls for four inspections each year to verify proper operations of equipment and calibration of instrumentation. Specific energy conservation features of the monitoring and preventive maintenance contract include heat and cooling overlaps, heat lockouts, demand scheduling, chiller optimization, lighting control, set point reset schedules, peak demand control, precise control loops and equipment overrides. Of the 3,020,911gross square feet in the HCCS portfolio, approximately 56 percent is being monitored, leaving 1,401,888 square feet of leased and owned space unmonitored. **Exhibit 10-14** shows the monitored locations.

Exhibit 10-14
HCCS Monitoring Contract for Mechanical Controls Systems

Building	Address	SF	Ownership	Group	Energy Management

288 Campus	288 and Airport	36,687	Owned	3	Yes
Business Careers Center	1215 Holman	35,000	Owned	1	Yes
Business Careers Center II	1215 Holman	36,680	Owned	1	Yes
Heinen Theater	3517 Austin	18,000	Owned	1	Yes
Codwell Hall Northeast	555 Community College	86,316	Owned	2	Yes
Roland Smith Truck Driving	555 Community College	12,000	Owned	2	Yes
Northline Mall Center	401 Northline Mall	80,500	Owned	3	Yes
Pinemont Center	1275 Pinemont	40,025	Leased	1	Yes
Town & Country Classrooms	1010 W. Sam Houston	84,796	Owned	1	Yes
Town & Country PAC	1010 W. Sam Houston	26,123	Owned	1	Yes
Town & Country - Labs	1010 W. Sam Houston	14,000	Owned	1	Yes
Town & Country - (Vacant)	1010 W. Sam Houston	10,000	Owned	1	Yes
Coleman Medical Careers	1900 Galen Drive	160,460	Owned	1	Yes
Eastside Campus - Angela	6815 Rustic	60,640	Owned	1	Yes
Eastside Campus - Felix	6815 Rustic	54,345	Owned	1	Yes
Alief Center	13803 Bissonnet	43,000	Owned	1	Yes
Scarcella Science and Tech.	10141 Cash Road	75,000	Owned	2	Yes
Stafford Campus A	9910 Cash Road	10,875	Owned	3	Yes

Stafford Campus B	9911 Cash Road	23,560	Owned	3	Yes
Stafford Campus C	9912 Cash Road	3,900	Owned	3	Yes
Stafford Campus D	9913 Cash Road	3,900	Owned	3	Yes
Stafford Campus E	9914 Cash Road	480	Owned	3	Yes
Stafford Campus F	9915 Cash Road	2,880	Owned	3	Yes
West Loop Center	610 West Loop North	73,000	Owned	1	Yes
West Loop Center - Vacant	610 West Loop North	126,000	Owned	1	Yes
West Loop Center	610 West Loop North	70,112	Owned	1	Yes
System Administration	3100 Main	320,944	Owned	4	Yes
Tenant Space	3100 Main	109,800	Owned	4	Yes
Total Area Monitored		**1,619,023**	**56%**		
HCCS Total Area		**3,020,911**			

Source: Service Agreement, August 21, 2001; amended agreement January 28, 2003.

The monitoring agreement divides the building locations into three groups and provides preventive maintenance, a service desk, parts, diagnostic and repair labor, systems operation and monitoring and phone support to each group. Group one includes all locations, which are out of warranty from the original equipment installer for a total cost of $169,255. Group 2 includes locations where the original equipment warranty will expire during the term of the monitoring agreement and the cost is prorated to account for out of warranty parts supply for a total cost of $83,172. Group 3 includes locations which are covered under warranty for parts and repair for a total cost of $84,228. The total annual contract cost is $336,655 which, when divided by the total square feet of covered space, costs an average of 27 cents a square foot.

Outside of these controls management contracts, which allow remote start up and shutdown of building infrastructure, there are no energy management activities at HCCS.

COMMENDATION

HCCS uses an outsourced controls monitoring and mechanical system management program to provide quality preventive maintenance and reduced energy consumption on 54 percent of its facilities portfolio.

FINDING

The mechanical controls service agreement does not cover all potential energy conservation measures for all of HCCS' owned and operated facilities. In spite of the controls management contract, other measures of energy conservation are not being implemented and the entire range of services available are not being used. Energy consumption and peaks and lows are not being analyzed on an individual basis other than being examined for usage anomalies. Additionally, energy savings retrofits on existing equipment are not being made, missing an opportunity to further reduce consumption related energy costs. The energy controls management contract includes equipment that is in warranty, equipment that will exceed warranty within the next year and equipment that is out of warranty; therefore, the square foot pricing for each service and facility varies. However, the average adjusted square foot cost is approximately 27 cents.

Austin Community College (ACC) has taken a major step to curtail future energy consumption. In November 2001, the college awarded a $4.3 million contract to an energy retrofit company to perform major energy retrofits at its Cypress Creek, Pinnacle, Northridge and Riverside campuses. The scope of work at each campus includes lighting and mechanical retrofits, water conservation, irrigation control systems and a computerized energy management system. The project was scheduled for completion in September 2002. The contract also includes a support services agreement that requires the energy retrofit company to provide energy auditing and analysis services and energy guarantee provisions. The company guarantees ACC that the retrofitted facilities and systems will realize total energy and cost avoidance for the 15-year term of the energy guarantee provision.

Recommendation 102:

Expand the energy conservation service agreement to include energy management, education and conservation services.

The existing energy contract should be expanded to include the remaining 1,401,888 gross square feet of HCCS facilities. These services should, at a minimum, include the monitoring and preventive maintenance of major heating, ventilation and air conditioning equipment and should consider

expanding to other services to include energy management, training and conservation. Increased controls management will reduce energy consumption and prolong the life of existing mechanical equipment.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The director of Maintenance reviews terms and conditions of existing service agreement.	July 2003
2.	The executive director of Facilities and the executive director of Purchasing request a proposal for expanded energy management services.	July 2003
3.	The executive director of Facilities negotiates additional services.	August 2003
4.	The director of Maintenance provides notice to proceed to install necessary monitoring equipment.	September 2003
5.	The director of maintenance ensures that the installation is completed.	December 2003

FISCAL IMPACT

Applying the average controls management price of 27 cents for each square foot to the remainder of HCCS facility square footage, excluding the parking garage, will cost $246,572 annually (1,401,888 square feet minus the parking garage at 488,660 = 913,228 SF x $0.27). A 5 percent energy consumption reduction on the total electric consumption of $6,726,026 from monitoring of the remaining facilities will result in savings of $336,301 ($6,726,026 x 5 percent = $336,301), in addition to providing intangible savings associated with increased mechanical equipment life. Net savings will total $89,729 annually ($336,301 - $246,572 = $89,729).

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08
Expand the energy conservation service agreement to include energy management, education and conservation services.	$89,729	$89,729	$89,729	$89,729	$89,729

FINDING

HCCS has not implemented a comprehensive energy management program that meets the standards established in the Local Government Code. The institution does not have an energy conservation department or

single point of contact for promoting energy conservation. HCCS does not conduct energy conservation training programs for college staff and students and there are no conservation campaigns or training sessions which reduce energy consumption costs across the facilities portfolio. An ongoing energy conservation program helps organizations monitor energy use, which reduces the risk of excessive costs and premature equipment maintenance or replacement.

Senate Bill 5, passed in the 77th Legislative session, amended the Health and Safety Code Chapter 388.005. The amended Health and Safety Code now includes building energy provisions that impose new requirements on local government in and around urban areas in Texas. All political subdivisions, not including school districts, must implement energy efficient measures that are cost effective and all cities must enforce new energy efficient building codes. Sec. 388.005, Energy Efficiency Programs in Certain Political Subdivisions applies to HCCS. In Sec. 388.005, "political subdivision" means an affected county; or any political subdivision other than a school district in a non-attainment area or in an affected county. HCCS is in the Harris County non-attainment area. Provisions of the code state that each political subdivision shall implement all energy efficiency measures that meet the standards established for a contract for energy conservation measures under Section 302.004(b), Local Government Code, in order to reduce electricity consumption by the existing facilities of the political subdivision; and each political subdivision shall establish a goal to reduce the electric consumption by the political subdivision by 5 percent each year for five years, beginning January 1, 2002.

Institutions and private industry interested in reducing power consumption are installing transient voltage surge suppressor (TVSS) units, which provide for as much as a 20 percent reduction in electrical consumption. A TVSS operates on the load side of a building's electrical system and achieves a reduction in energy consumption by eliminating high voltage, short duration transient (also called oscillatory) surges. These surges are generated by electrical devices within the facility, such as lighting, air conditioning or any pump or drive motor that creates large inductive loads at startup or during normal operation. These surges, which can occur hundreds of thousands of times each day and are generated internally by equipment operating within the facility, can cause an increase in the operating temperature of systems resulting in higher electrical resistance, less efficient operation and higher electrical consumption. A TVSS is installed at all electrical panels, sub panels and unprotected disconnects in order for the system to deliver optimum results. The resulting elimination of potentially damaging and efficiency robbing transient surges results in a lower consumption requirement by the electrical system. In addition, this system will also provide protection from damaging external electrical

surges that originate from outside the facility, such as power surges from the power grid or electrical lines and external events such as lighting strikes.

Vending machines provide an interesting opportunity to save energy. The average soft drink machine uses two fluorescent bulbs for a total of 80 watts. In addition, energy is required to operate the ballast, a component required to alter the electricity for fluorescent bulbs. At a very conservative estimate of only two kilowatt-hours for each day, a vending machine uses an annual total of 730 kilowatt-hours just for lights. At an average rate of ten cents for each kilowatt-hour, this amounts to $73 each year for just one machine.

Recommendation 103:

Implement a comprehensive energy management program that meets the standards established for energy conservation measures.

By establishing a comprehensive conservation program, HCCS can save thousands of dollars a year. Just raising building temperatures by two degrees and shutting off lights when possible will quickly translate into utilities savings. Installing transient voltage surge suppressor units will reduce electrical consumption up to 20 percent. Disconnecting the lights in vending machines will reduce energy costs.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The vice chancellor for Finance and Administration and staff develops an energy management program plan.	July 2003
2.	The vice chancellor for Finance and Administration recruits a systemwide energy conservation task force.	August 2003
3.	The vice chancellor for Finance and Administration and staff develop a comprehensive energy management program.	September 2003
4.	The executive director of facilities establishes pilot program for electrical consumption reduction equipment to determine cost justification and payback period.	December 2003
5.	The vice chancellor for Finance and Administration presents the program to the systemwide energy conservation task force for its review and approval.	January 2003
6.	The vice chancellor for Finance and Administration sends the program to the chancellor for approval.	January 2003
7.	The executive director of Facilities implements the program	February

installing electrical consumption reduction equipment throughout the system and continuously monitoring the program, while observing additional measures that can be implemented to further reduce consumption of all energy sources.	2003

FISCAL IMPACT

Energy savings from systemwide conservation measures that meet Local Government Code provisions will result in a 5 percent reduction in energy costs each year for five years, a cumulative reduction of 25 percent. Incremental saving of 5 percent a year starting in 2004-05 is based upon the 2002-03 budgeted electricity expenditure of $6,726,066. Each year the savings will increase an additional $336,303 ($6,726,066 x 5 percent) until the annual savings reach 25 percent in 2008-09. Savings in 2004-05 will be $336,303 ($6,726,066 x 5 percent, 2005-06 savings will be $672,606 ($336,303 x 2), 2006-07 savings will be $1,008,909 ($336,303 x 3) and 2007-08 savings will be $1,345,212 ($336,303 x 4). Additional savings from disconnecting vending machines could save an estimated $7,300 annually, based on 100 machines operated at HCCS ($73 per machine estimated annual lighting cost x 100 machines).

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08
Implement a comprehensive energy management program that meets the standards established for energy conservation measures.	$7,300	$343,603	$679,906	$1,016,209	$1,352,512

FINDING

HCCS' utility bills are not monitored or audited on a regular or sample basis by an accounting professional. The Purchasing Department pays the bills as they are received. HCCS recently changed utility vendors to benefit from better utility rates, although the square foot cost for the year 2001-02 decreased only slightly from $2.00 to $1.70 and the projection for the year 2002-03 returns to an all-time high of $2.23 on a square foot cost basis. An analysis of electrical bills received from the new vendor for the period December 5, 2001 through July 23, 2002 uncovered several issues. The addresses on the bills did not reconcile with the addresses on HCCS' inventory of space. In addition, the billing dates varied from single to double month usage, with multiple charges listed, including kilowatt consumption, transmission, and distribution service provider (TDSP) charges. The billing statement HCCS provided to the review team did not have period-to-period comparisons or rate multipliers. No position was

identified as responsible for auditing the bills and, while there is an accountant function in the facilities Plant Accounting Department, the job description for the accountant position does not include utility bill auditing.

Recommendation 104:

Revise the job description for the plant accountant to include utility bill auditing.

The Plant Accounting Department, reporting to the executive director of Facilities, has a project accountant. The job description for this position should be modified to include the skills duties necessary to audit the system's utility bills on a monthly basis. This position should consolidate billing, regularly verify electrical billing statements and track electrical consumption on a monthly basis to measure the results of the comprehensive energy management program which will benefit the system by identifying any potential billing irregularities that may occur, as well as provide a sound basis for projecting future utility budget expenditures.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The executive director of Facilities amends the job description for the project accountant to include utility bill auditing.	July 2003
2.	The project accountant assumes responsibilities for utility bill auditing.	August 2003
3.	The project accountant establishes benchmark energy consumption and presents prior year 2002-03 results to the executive director of Facilities and the vice chancellor for Finance and Administration.	September 2003
4.	The project accountant continues to monitor energy consumption reporting reduction results on a quarterly basis.	Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 10
PLANT OPERATIONS AND MAINTENANCE

F. Safety and Security

A safe and secure environment is essential for students, faculty and other system employees. A safety and security program includes prevention, intervention and enforcement, as well as cooperation with municipal and county governments. Safety and security fall into two distinct departments at HCCS.

Safety falls under the Facilities Department and has responsibility for HCCS, as well as Occupational Safety and Health Administration (OSHA) type workplace inspections, slip-and-fall investigations, injury reports, asbestos surveys and indoor air quality certifications. The Safety Department consists of three degreed and certified safety practitioners. A part-time secretary is shared with other departments. The department manages, produces and monitors the HCCS safety-related policies and procedures manual, which addresses safety and loss control, emergency procedures, health, environmental recycling and Material Safety Data Sheets (MSDS) for all facilities at HCCS.

The Safety Department uses the services of outside consultants to conduct specialized assessments and using three firms predominately for outside consulting support. The historical contracted amounts are budgeted for $41,000 in 2002-03. The department is implementing a computer program to track safety-related problems and monitor their inspection and remediation process. The program includes five baseline checklists tailored for future inspection based upon findings of the previous inspection. Because staffing is limited, the campus coordinators conduct building inspections on their respective campuses and report the findings back to the Safety Department. The Safety Department then makes spot checks to verify that all safety related deficiencies have been corrected. The Safety Department has developed and produced a quick reference guide detailing emergency procedures. The guide provides direction for emergency situations, including fire, evacuation and chemical spill, medical, disruptive conduct and weapons on campus, terrorist threat and severe weather. It also provides emergency numbers and special instructions.

The HCCS Campus Police Department is a public service-oriented law enforcement agency charged with providing police protection to students, faculty and staff. It operates seven days a week and 24 hours a day and is staffed by commissioned, state-licensed police officers responsible for enforcing federal, state and local laws, as well as HCCS rules and regulations.

Police Department officers are trained to handle a full range of community college services, including emergency requests, fire emergencies, traffic accident investigations, auto thefts and any other unlawful acts. For the past two years, an

interim chief of police has managed the department. The chief of police reports to the Human Resources Department. The department consists of a total of 63 police and security officers and has maintained this approximate staffing level for the past four years despite an increase of 806,472 gross square feet, more than 64 percent, since 1998. The Police Department has full- and part-time commissioned officers who are licensed and certified to carry weapons and make arrests (Blue Shirts). The department also has full and part-time security officers who do not carry guns, but assist the police officers in securing the colleges and conduct patrols (White Shirts). Security officers generally are staffed in conjunction with at least one police officer at each location.

Crime trends have increased, as evidenced by the following chart, which shows a 37 percent increase in crime calls from 2000 through 2001 during a period when the nation as a whole has experienced a decreasing crime rate. All college locations had crime increases ranging from 5 percent to 160 percent, which is further evidence that there are inadequate levels of policing and a shortage of personnel.

Exhibit 10-15 shows the crime activity by category at HCCS facilities for the years 2001 and 2002.

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Exhibit 10-15
Crime Activity on HCCS Colleges
2001-02

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Offense	Central		Northeast		Northwest		Southeast		Southwest		Main	
	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001
	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.
Robbery	2	0	0	0	0	0	2	0	0	0	0	0
Auto Thefts	2	0	9	4	0	1	0	1	3	4	0	1
Burglary	12	9	9	16	3	20	0	7	13	14	1	3
Thefts	61	64	16	15	9	27	18	22	27	34	8	17
Burglary of Coin Machine	2	0	0	0	2	1	0	0	0	0	0	0
Subtotal	**79**	**73**	**34**	**35**	**14**	**49**	**20**	**30**	**43**	**52**	**9**	**21**
Warrants	1	0	0	0	0	0	0	0	0	0	0	0
Assaults	4	6	4	1	1	1	1	2	1	3	1	0
Domestic	0	0	0	0	0	0	0	0	0	0	1	0

Violence												
Indecent Exposure	5	3	0	0	0	0	0	0	0	2	0	0
Harassment	4	2	0	2	3	1	1	0	0	1	0	0
Criminal Mischief	0	19	3	9	3	11	0	4	6	8	7	10
Disorderly Conduct	5	7	3	1	0	0	3	0	1	1	1	0
Carrying Prohibited Weapon	0	0	0	0	0	0	0	1	0	0	0	0
Subtotal	**19**	**37**	**10**	**13**	**7**	**13**	**5**	**7**	**8**	**15**	**10**	**10**
Terrorist Threat	1	6	2	3	0	0	2	0	1	3	0	1
Arson	0	1	1	0	0	0	0	0	0	0	0	0
Criminal Trespassing	2	1	1	0	0	0	0	0	0	0	0	0
Possession/ Narcotics	1	6	2	3	0	0	0	0	1	1	0	0
Failure to Stop and Give Info	4	0	4	0	4	0	2	0	8	0	0	0
Forgery	0	1	1	1	0	0	0	0	0	0	0	0
Fraudulent E-mail	0	1	0	0	0	1	0	0	0	1	0	0
Other	3	9	0	3	0	2	0	2	1	8	0	2
Subtotal	**11**	**25**	**11**	**10**	**4**	**3**	**4**	**2**	**11**	**13**	**0**	**3**
Total Crimes	**109**	**135**	**55**	**58**	**25**	**65**	**29**	**39**	**62**	**80**	**19**	**34**
Annual Increase/ (Decrease)		24%		5%		160%		34%		29%		79%
Total Calls 2000	299											
Total Calls	411											

2001												
Percent Increase	**37%**											

FINDING

The HCCS Police Department, which reports to the executive director of Human Resources, is understaffed and depends on part-time officers. There are not enough officers employed to ensure adequate coverage of all campuses. At times, only one police officer is stationed at any one of the campuses and must handle any duties that may arise. Full-time clerical support is not available, resulting in the officer spending a majority of time on administrative issues rather than patrolling the grounds and providing a security presence on campus. The officer position also issues student

identification badges, which is an inefficient application of administrative duties. **Exhibit 10-16** shows that 120 hours a week is allocated to student identification administration by commissioned police officers.

Exhibit 10-16
Weekly Hours Designated for
Issuing Student Identification Badges
By HCCS Police Officers

College	Hours
Central	45
Northeast	30
Northwest	15
Southeast	20
Southwest	10
Total	**120**

Part-time positions provide an adverse working environment for the Police Department because many are not trained in the student-oriented police service role. This makes the pay scale for part-time officers unfair to full-time employees.

Complaints by department staff indicate that starting salaries for police officers are too low to hire and retain quality individuals. The Police Department feels strongly that the pay, especially starting pay for officers, is a major hurdle in hiring staff to fill vacant positions. However, HCCS' pay scale for police officers ranges from $33,190 to $49,840, which is above that of its peer colleges. **Exhibit 10-17** showsthat HCCS' starting and maximum salaries for police officers are the highest among its peers.

Exhibit 10-17
Police Officer Salary Ranges
HCCS and Other Texas Community Colleges

College	Salary Range	
	Low-End	High-End
Austin	$20,866	$33,781
Collin	$28,000	$32,000
San Jacinto	$28,236	$32,232
North Harris Montgomery	$28,179	$28,179
HCCS (Grade 8)	**$33,190**	**$49,840**

Source: TSPR Survey, July 2002, HCCS, Budget Request for Fiscal Year 2002-03, Detail Expenditures by Department, November 2002.

Staffing levels for the Police Department have been constant and this has resulted in a severe shortage of officers at the colleges. This constant force level has not kept pace with the growth in space across HCCS campuses. The new campuses at Alief campus, Codwell Hall, Coleman Medical Careers, Town and Country and Stafford locations, have a combined total of over 470,290 square feet of additional space to patrol. A request for 20 officers was made in 1999 and a subsequent request was made to the executive director of Human Resources on May 22, 2002 for 10 additional officers. The executive director of Human Resources has not acted on either of these requests. The lack of officers has resulted in a high use of part-time officers. The 2002-03 budget request for salaried personnel totals $2.1 million while the part-time budget allocation is $1.2 million for part-time contracted service officers and $233,000 for overtime pay.

Security levels at the colleges are low, with reported high use of part-time contract police and security officers. This causes problems with the service level.

(Outside officers attitude is not always in line with the student support role expected of police activities on a college campus.) An analysis of the hours of operation for each campus, combined with the desired force level, identifies a shortfall of 43.8 officers systemwide, based upon the desire to have a minimum of one police officer and one security officer on location at all times.

Exhibit 10-18 shows the recommended level of police and security officers at each location based on each location's daily and weekly building hours of operation and the COO's general request to have two officers on location at all times.

Exhibit 10-18
HCCS Police and Security Force Levels at Campus Locations

| Location | Shift | Daily Officer Roster | | | | | Total Hours |
		Police Officers	Security Officers	Lieutenant	Sergeant	Days	
Central Campus	Day	4	2	1	1	7	**448**
	Evening	4	3	1	0	7	**448**
	Midnight	2	0	0	0	5	**80**
Palm Center	Day	0	1	0	0	5.5	**44**
	Evening	0	1	0	0	5	**40**
Westwood	Day	0	1	0	0	5	**40**
	Evening	1	0	0	0	5	**40**
288 Campus	Day	0	1	0	0	5	**40**
	Evening	1	0	0	0	5	**40**
Eastside and Annex	Day	1	4	1	0	7	**336**
	Evening	1	4	0	1	5.5	**264**
Coleman TMC	Day	0	2	0	0	7	**112**
	Evening	1	1	0	0	5.5	**88**
Town & Country	Day	2	2	1	0	7	**280**
	Evening	2	3	0	1	6.5	**312**
Westgate	Day	1	1	0	0	6	**96**
	Evening	1	1	0	0	5	**80**
Northline	Day	2	2	1	0	7	**280**

Location	Shift						
Mall	Evening	2	2	0	1	5	**200**
Codwell Hall	Day	1	1	0	0	7	**112**
	Evening	1	2	0	0	5	**120**
Pinemont	Day	1	1	0	0	7	**112**
	Evening	1	1	0	0	5	**80**
Airline	Day	1	1	0	0	5	**80**
	Evening	1	1	0	0	5	**80**
West Loop	Day	1	2	1	0	7	**224**
	Evening	1	2	0	1	5.5	**176**
Gulfton	Day	1	1	0	0	7	**112**
	Evening	1	1	0	0	5	**80**
Stafford I	Day	1	1	0	0	7	**112**
	Evening	1	1	0	0	5	**80**
Stafford II	Day	1	2	0	0	6	**144**
	Evening	1	2	0	0	5	**120**
Alief	Day	1	1	0	0	6.5	**104**
	Evening	1	1	0	0	5.5	**88**
Bluebonnet	Day	0	1	0	0	6	**48**
Greenbriar	Day	0	1	0	0	6	**48**
Missouri City	Day	0	1	0	0	7	**56**
3100 Main	Day	1	3	0	0	7	**224**
	Evening	1	2	0	0	7	**168**
	Midnight	0	1	0	0	7	**56**
System Patrol	Midnight	3	0	0	1	6	**192**
Total		**46**	**61**	**6**	**6**		**5,884**
Required FTE Officers with 40 hour weeks							**147**
Current Officers							**63**
Shortfall							**84**

Recommendation 105:

Increase full-time HCCS police and security officers.

The force levels should be increased to reach levels necessary to adequately staff the locations according to the building's daily operational hours. The administrative function of issuing student identification badges should be shifted to other office personnel, which will allow officers more time to provide a greater security presence. The reassignment of the student identification function to administrative personnel may not change the staffing requirement for police officers. Emphasis should be made to hire, train and retain officers who embody HCCS' policing presence. The benefit of full-time officers will include a greater police presence to change the upward crime rate trend, reduce part-time budget allocation and improve police service levels to the student population.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The chief of police submits revised staff requests to the executive director of Human Resources for approval.	July 2003
2.	The executive director of Human Resources approves request.	July 2003
3.	The chief of police recruits and trains additional officers.	August 2003
4.	The chief of police revises the annual budget to reflect full-time officer payroll based on a force level recommendation at each location.	August 2003
5.	The chief of police assigns officers according to duty roster to meet building operation and class scheduling hours.	September 2003

FISCAL IMPACT

A total of 84 FTE police and security officer positions are required to staff the recommended force levels at all five colleges and the main administrative building. Assuming only 35 new officer positions as a conservative force increase at an average salary of $31,450, the total staff cost is $1,166,795 (35 positions x $31,450 average salary, plus 6 percent benefits = $1,166,795). There will be an annual budget savings for eliminating the part-time contracted service officers of $1,200,000. Finally, there will be an annual budget savings for eliminating overtime costs of $233,000. Therefore, adding 35 staff positions will result in a net savings of $266,205 beginning in 2003-04 ($1,200,000 + $233,000 - $1,166,795 = 266,205 savings).

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08
Increase full-time HCCS police and security officers.	$266,205	$266,205	$266,205	$266,205	$266,205

Chapter 11
AUXILIARY AND SERVICE ENTERPRISES

This chapter reviews auxiliary and service enterprises operated at Houston Community College System (HCCS) in the following sections:

A. Mail Center
B. NEO Café
C. Heinen Theatre
D. Fitness Center
E. Elderhostel

Auxiliary and service enterprises are generally self-supporting entities established to provide non-instructional services to an institution's students, faculty, staff or other departments. These enterprises charge users fees for services directly related to, although not necessarily equal to, the cost of the goods or services provided. Auxiliary departments historically serve students, faculty or staff. The general public may also be served by services offered through auxiliary departments. In contrast, service enterprises serve institutional departments rather than individuals. In both cases, services are designed to operate on a break-even basis without requiring additional funding from the system's general operating funds. Many colleges transfer surplus revenues from the auxiliary departments to unrestricted operating or other funds.

BACKGROUND

HCCS administers mail services, a restaurant, a theatre, a fitness center and the Elderhostel program through internal service departments. Independent contractors operate copy and print services and the bookstores.

HCCS records the financial activities of the auxiliary and service functions under the HCCS - Auxiliary Enterprise Fund. All activities established within the auxiliary enterprise fund are designed to assist in the financial stability of the institution and are expected to operate in a fiscally responsible and solvent manner. The HCCS Board of Trustees determines the use of any surplus funds that remain in the auxiliary enterprise fund. Auxiliary services accounted for $2.3 million in additional revenues in 2001-02. Expenditures during that period were $1.2 million.

Barnes and Noble operates nine bookstores for the HCCS system. The bookstores, which experienced a 30 percent increase in sales in 2001-02, have been budgeted to make $14 million in sales in 2002-03. The contract guarantees HCCS the greater of $640,000 per year or:

- 8 percent of on-campus gross sales up to $7.5 million;
- 9 percent of on-campus gross sales from $7.5 to $10 million;
- 10 percent of on-campus gross sales over $10 million; plus
- 4 percent of off-campus gross sales up to $2.5 million; and
- 5 percent of off-campus gross sales over $2.5 million.

The bookstore pays HCCS one-twelfth of $640,000 each month and makes any required fee adjustment at the end of the fiscal year. Renewable every year for six years, the contract is scheduled for rebid in February 2004.

University Copy Center, Inc. (Copy Center) operates the system Copy and Print Shop. HCCS began contracting the copying and printing services to the Copy Center on December 1, 1996. The system and the Copy Center renewed the contract on October 1, 2001. The terms in the initial contract covered December 1, 1996 through August 31, 2001 with the option to renew for successive annual periods not to exceed five years commencing on expiration of the initial term.

HCCS leases space to the Copy Center for $31,250 per year. The Copy Center occupies the ground floor of the HCCS parking garage across the street from the system's administrative offices. In 2001-02, the system received $822,229 in revenues from this rental contract. Expenses totaled $291,298 in 2001-02.

The Copy Center provides a full service copy and print shop including photocopying, contract printing and production capacity to the staff in administration as well as students, faculty and staff in all five HCCS colleges. **Exhibit 11-1** lists the fees for the various services provided.

Exhibit 11-1
Copy Center Fees
November 2002

Type of Service	Rate	
Copies - White Paper	8 1/2 x 11	$0.033
	8 1/2 x 14	$0.035
Copies - Pastel Paper	8 1/2 x 11	$0.035
	8 1/2 x 14	$0.038
Full Color Copies	8 1/2 x 11	$0.69
	8 1/2 x 14	$0.79

Binding	Tape Binding - Card	$1.95
	Tape Binding - Vinyl	$2.95
	Single Staple	$0.03

Source: HCCS Purchasing Department.

The Copy Center also provides publishing, laminating, collating, folding, facsimile, typing and booklet-making services. In addition to servicing the system, the Copy Center also offers services to HCCS faculty members who want publishing services for course packets that they author.

Chapter 11
AUXILIARY AND SERVICE ENTERPRISES

A. *Mail Center*

All college faculty and staff receive mail service twice a day. System employees receive service once a day, except for specified system executives who receive desk-to-desk mail deliveries twice a day. Mail Center hours of operation are 8 a.m. to 5 p.m. Total delivery sites include 28 campus locations, eight HCCS locations (every other floor at 3100 Main) and selected executive desk-to-desk deliveries.

The Mail Center offers the following services to all HCCS institution staff: first class mail, priority mail, standard mail, parcel post, certified mail, registered mail, insured mail, return receipts, courier mail, express mail, international mail, business reply mail, meter reply mail, merchandise return, courtesy reply mail and outgoing personal mail delivery to the U.S. Postal Service. The Mail Center does not accept or handle any cash or payments, and all handling charges and fees are billed to user departments.

In addition, HCCS offers bulk mailing services to all departments for mailings of 250 or more pieces. Projects require that the manager be involved in the planning stage and notified 72 hours in advance of the needed mailing to ensure timely processing.

The HCCS Mail Center was reorganized in July 2002 when the previous manager, who served in the department for 22 years, retired. The Mail Center manager holds certifications as a U.S. Postal Service (USPS) Postal Consultant and a Mail Quality Control Specialist. **Exhibit 11-2** presents the organization chart for the Mail Center.

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Exhibit 11-2
HCCS Mail Center Organization

</div>

October 2002
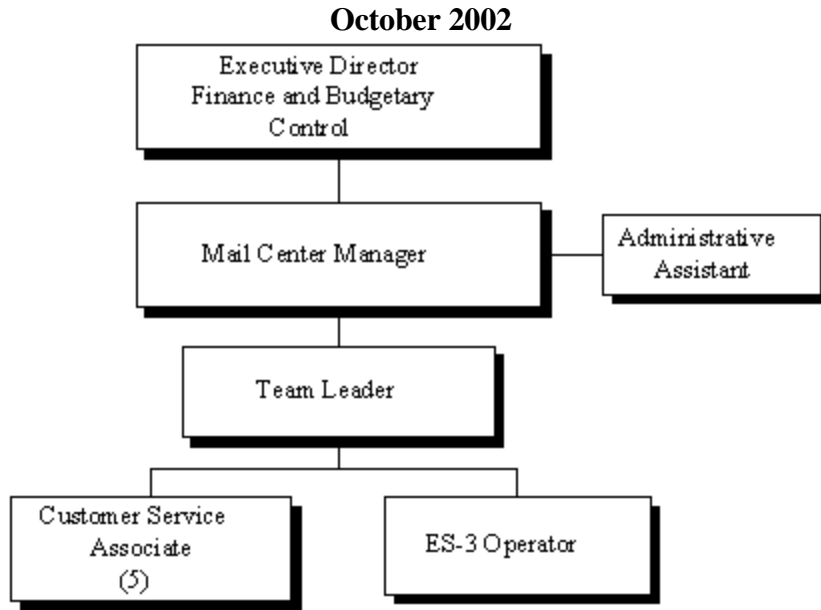
Source: HCCS Mail Center.

The Mail Center operates on an annual budget of $331,255. **Exhibit 11-3** presents the 2002-03 Mail Center budget.

Exhibit 11-3
HCCS Mail Center Budget
2002-03

Expenditures	
Salaries and Wages	$221,905
Supplies and General Expenses	$22,500
Travel	$5,850
Furniture and Equipment Rental	$80,000
Repairs and Maintenance	$1,000
Total	**$331,255**

Source: HCCS Mail Center Budget.

FINDING

The new Mail Center manager has developed several effective methods for improving the mail service at HCCS. Hired in July 2002, the Mail Center manager has significantly improved the procedures and communication with institution staff, as well as the overall mail services at

HCCS. The Houston chapter of the Mail Systems Management Association (MSMA) honored HCCS' Mail Center manager in January 2003 for innovative marketing techniques and for establishing performance measures. MSMA is a national organization that provides education, certification, networking opportunities and other forums for mail systems professionals to exchange ideas and ultimatelyimprove on the local, state and national level.

When hired, the manager first designated a key contact in each department for mail service communication. Key contacts receive correspondence, e-mail messages and policy revisions and circulate the information throughout their assigned area.

The manager also updated the Mail Center policies and procedures and distributed manuals to the key contacts. Along with the revised policies, the manager established departmental goals and objectives for 2002-03 that are documented in the guide for all users to view. The Mail Center's goals and objectives for 2002-03 include the priorities listed in **Exhibit 11-4**.

<center>

Exhibit 11-4
HCCS Mail Center
Goals and Objectives
2002-03

</center>

Priority 1
- Implement cross-training program for all customer service associates.   - Re-evaluate workflow, process and schedule.

Priority 2
- Develop a mailer education program to define and communicate mailing procedures to all departments.   - Define mailer education needs.   - Determine appropriate education forums.   - Implement program.

Priority 3
- Develop and implement a plan to ensure that all associates are trained in computer and other skills necessary to perform job task.   - Provide keyboard training to at least one clerk per quarter.   - Provide computer training to at least one customer service associate per quarter.   - Schedule one mail clerk for postal training seminar offered by USPS by

2003.

In addition, the manager created a Mail Service Guide to inform institution staff of service options and encourage proper sorting and labeling. The guide contains useful information about the Mail Center such as the hours of operation, delivery and pickup times and a brief summary of the department's offerings and procedures such as addressing, enclosures, envelopes, interoffice mail, specialized delivery services and U.S. mail classifications. The descriptions contained samples and pictures to offer further explanation.

The manager also distributed an inter-department mail envelope to all key contacts to inform institution staff of the proper interdepartmental communication procedures. The envelope had detailed guidelines, a hard copy sample and a change of address form to be distributed to all institution staff.

A costly item for mail services resulted from outdated and wrong addresses for institutional staff. To address this problem, the Mail Center manager designed a workflow process for employees to update their addresses including instructions for online access to an address change form.

To facilitate the management transition and the changes to policies and procedures, the Mail Center manager sponsored an Ice Cream Social to introduce all HCCS employees to the new organization and the plan to improve mail services.

In addition to improved communication with the institution, the Mail Center manager implemented internal activities to boost morale and improve the department. Mail Center employees received revised job titles and were issued uniform shirts to convey a professional image. The manager also conducts a "daily huddle" process at 8:30 a.m. to give employees an opportunity to discuss information related to operations, customer satisfaction, department communication and internal issues. Huddle comments and meeting notes are documented on a daily report.

COMMENDATION

Innovative communication management procedures developed by the Mail Center manager have resulted in excellent mail distribution services.

FINDING

The Mail Center manager uses a systematic and formal process to monitor mail service operations and progress toward performance goals. The manager uses a numeric rating scale on a monthly basis to track and improve mail services to the HCCS community. In addition, the Mail Center manager has developed performance measures that support the systems goals as outlined in the HCCS Strategic Plan 2000-03.

The manager implemented several formal evaluation procedures to assess customer service and the department's internal operations. For example, the manager designed a scorecard to help analyze the quality of customer service provided to HCCS. The score card rates delivery timeliness, compliance with signatures and authorization requirements, achievement of agreed services and on-time submission of internal reports. The Mail Center employees maintain daily logs to report when a performance objective is not attained. The manager reviews daily logs monthly and quarterly to evaluate the department's performance. The scorecard is used to formally document the percentage of attainment and non-attainment of the Mail Center's performance objectives. The Mail Center manager documented Mail Center Operational Metrics to define the department's goals for attaining performance objectives. Metrics were set by the Mail Center manager based on the expectations assigned by the vice chancellor for Finance and Administration. The Mail Center's Operational Metrics, which are documented in a section of the Overview of the Mail Center, are listed in **Exhibit 11-5**.

Exhibit 11-5
Overview of the Mail Center Section 3.1.1.1
Mail Center Operational Metrics

3.1.1.1. Mail Center Operational Metrics
• 97 percent of the time, complete, on time, mail delivery throughout HCCS by 10 a.m. and 2 p.m.
• 97 percent of the time, complete, on time, mail pick-up throughout HCCS by 10 a.m. and 2 p.m.
• 100 percent of the time, resolve all unidentifiable mail for proper delivery within two working days of receipt (excluding weekends and holidays).
• 99 percent of the time, accurately ship outbound overnight and express packages daily (carrier mistakes excluded).

The Mail Center manager used the operational metrics to design a rating scale for the scorecard. Ratings are based on the frequency the department is attaining the set measures. The scorecard documents a rating based on the daily logs and percentage of attainment for each department performance objective and calculates an overall department rating. The rating scale for the Mail Center scorecard is displayed in **Exhibit 11-6**.

Exhibit 11-6
Mail Center Scorecard Rating Scale

Frequency	Best In Class >99 Percent	Preferred 97.5 - 99 Percent	Needs Improvement 96 - 97.5 Percent	At Risk 94 - 96 Percent	Unacceptable >94 Percent or No
Rating	5	4	3	2	1

The Mail Center manager monitors the ratings each month and reports the scorecard formally to the vice chancellor for Finance and Administration on a quarterly basis. **Exhibit 11-7** displays the Mail Center's monthly scorecard and performance ratings for October 2002.

Exhibit 11-7
HCCS Mail Center Monthly Scorecard
Ratings for October 2002

Correspondence Mail	Rating
Incoming USPS Mail -Sorted and delivered at 8:30 a.m., 10 a.m. and 2 p.m. at designated stop locations.	4
Interoffice Mail -Sorted and delivered on the next scheduled run.	4
Research Mail -Processed for identification and delivered within 24 hours.	3
Incoming Accountable Mail -Mail received by 10 a.m. is sorted and delivered to the individual by 12 p.m., only with signature.	5
Scheduled Rounds -Performed two times at 3100 Main and one time at campus locations	4

daily.	
Outgoing USPS Mail -Mail received by 4 p.m. is processed same day as received, and mail is delivered to the USPS by 4:30 p.m.	4
Outgoing Pre-Sorted Mail -Mail received by 2 p.m. is processed and sent out same day as received.	4
Outgoing Accountable Mail -Mail received by 4 p.m. is processed the same day as received.	5
Postage Management -Check postal funds in meters every day in the morning.	5
USPS Supplies -Stock is replenished and stocked same day as picked-up, on the last Wednesday of the month or as needed.	5
Weekly Documentation -Submitted to the Department Manager by Tuesday of each week for the previous week.	5
Monthly Documentation -Submitted to Accounting Department by fifth working day of the month by 12 p.m.	5
Courier Services	**Rating**
Scheduled Routes -Scheduled campus routes are performed once per day and begin at 8:30 a.m. at HCCS campus locations.	4
Route 1 (System) -Deliver and pick-up at all mail stations. Delivery times are estimated with a 45-minute window.	5
Route 2 (Central) -Deliver and pick-up at all mail stations. Delivery times are estimated with a 1-1/2 hour window.	5
Route 3 (Northeast) -Deliver and pick-up at all mail stations. Delivery times are estimated with 3-1/2 hour window.	5
Route 4 (Southwest) -Deliver and pick-up at all mail stations. Delivery times are estimated a with three hour and 40 minute window.	5
Route 5 (Northwest) -Deliver and pick-up at all mail stations. Delivery times are estimated with a 4-1/2 hour window.	5

Evening Post Office Delivery -Delivered to USPS by 5 p.m.	5
Automated Mail -Scheduled according to established procedure.	4
Sorted Mail -Completed and required documentation is attached before driver leaves for USPS.	5
Folding -Complete all requests within mutually agreed period.	5
Documentation -Maintain daily status log for request and services.	5
Overall Site Score	**4.5**

Source: HCCS Mail Center.

The Mail Center manager designed an additional self-evaluation report called the Department Standards Review to assess the department's internal operations. The Department Standards Review is a subjective analysis completed on a quarterly basis and reported to the vice chancellor for Finance and Administration. Departmental operational issues reviewed in the Department Standards Review include *Human Resources* (Mail Center employee files and training); *Appearance* (mailroom organization and cleanliness); *Administration* (management reporting); *Network* (records are current and backed up daily); *Safety* (consistent training provided, emergency phone numbers and rules are posted, equipment and lighting is in safety compliance); *Department Practice Standards* (logs are completed daily, performance data is tracked daily, reports are current and available); *Continuous Improvement Initiatives* (processes are used to document and resolve internal issues, tools are available to mailroom personnel); and *Customer Service* (telephones are answered within three rings, staff is courteous and prompt). The Mail Center manager reviews and rates each category using the following criteria: Inconsistent or Rarely; Some Consistency or Some Significant Gaps or, Meets All or Exceeds All.

The Mail Center manager also created numerous charts to show the department's performance. The Mail Center manager and the vice chancellor for Finance and Administration review these charts monthly. **Exhibit 11-8** shows examples of charts updated on a monthly basis.

Exhibit 11-8
Mail Center Monthly Performance Reports
2002-03

USPS Mail - incoming and outgoing pieces
Inter-Office Mail - pieces
Postage Used- dollars
Accountable Items - incoming and outgoing FedEx, UPS, etc.
On-Time Analysis - on-time versus late routes

Source: HCCS Mail Center manager.

Mail service employees are expected to produce projects for institution departments and deliver all daily routes in the method presented in the Mail Center Service Standards. The standards were circulated in the policies and procedures manual to all key personnel. Responsibilities of the department included in the Mail Center Service Standards statement include courtesy, respect, responsiveness, communication, teamwork and professionalism. In addition, HCCS Mail Center customers provide necessary and accurate information to the Mail Center in a timely manner so that projects can be completed as needed. The Mail Center evaluates each job assigned to the department by the institution's mail customers. Since mail users also ensure effective mail delivery, the mail personnel document any project that is out of compliance and contact the customer after three instances. To support these efforts, the Mail Center manager created an additional evaluation report called the Site Action Item Log. The log documents non-compliant incidents and assigns a follow-up action. Action items are maintained in a spreadsheet with details about the item, reason, action, performance measurement (affected by the incident), responsible person, progress (of action item) and date (for each step of the incident and follow-up).

The department personnel document all projects in non-conformance with their agreed standards and responsibilities. Non-conformance incidents include those of the mailroom personnel and the mailroom customers. The manager summarizes these activities in a monthly report, and the Mail Center personnel have a daily goal for zero non-conformances of their duties. The review team spoke to the mail service personnel, and they said they make efforts every day to help each other complete tasks within conformance for a zero non-conformance rating. The personnel made positive comments about the daily goals, and they said it has incorporated a team effort.

Customers contacted after three non-compliant incidents are notified of the specific issue and correct procedures. In addition, the Mail Center manager offers education opportunities when necessary. The department offers seminars such as USPS Mail Piece design and USPS Back to Basics

(on general mail topics and postage budget-saving techniques) to all institution staff.

The Mail Center manager designed each of the evaluation methods implemented with consideration of the strategic goals of HCCS. Two goals outlined in the HCCS Strategic Plan 2002-03 that were used to establish a portion of the Mail Center's performance measures are presented in **Exhibit 11-9**.

Exhibit 11-9
Goals Supported by the Mail Center's Objectives
HCCS Strategic Plan - Goals 4 and 5
2002-03

Goal 4 - Ensure A Quality Learning Environment	
HCCS Objective	**Mail Center Support of HCCS Objective**
Objective 4.1 **Establish and meet systemwide learning environment standards for all campuses, centers and sites.**	
• Define standards for services, faculty and student support space, and safety and security provided at all sites.	• Define department standards for the Mail Center's operations. Reports that assess this objective on a monthly and quarterly basis are the Department Standards Review and the Security Compliance Audit.
• Define standards for service levels and other elements of a supportive learning setting (courses, classrooms, student-friendly environments, customer service).	• Define standards for customer service to increase the reliability in the mailroom's services and therefore enable faculty and staff to better do their job. Reports that assess this objective are the scorecard and the Department Standards Review.
• Evaluate each campus, center and site for compliance with the established learning environment standards and develop a plan for	• Evaluate each Mail Center project completed for the institution and document all non-compliance in the Site Action Item Log report.

remedying deficiencies.	
Goal 5 - Connect The Learning College To The Local And Global Community	
HCCS Objective	**Mail Center Support of HCCS Objective**
Objective 5.1 **Strengthen linkages with the external community.**	Connect the college to the local and global community through partnerships with other mail services and organizations such as the Houston Postal Customer Council and the Mail System Management Association (MSMA) to promote public relations.

Source: HCCS Mail Center manager.

COMMENDATION

The Mail Center manager designed detailed and formal evaluation processes to consistently improve HCCS mail services and to ensure the department's goals and objectives align with those of HCCS.

Chapter 11
AUXILIARY AND SERVICE ENTERPRISES

B. NEO Café

NEO Café opened its doors on August 13, 2001, with seed funding provided by the system. The system mandates that NEO Café become a profitable auxiliary enterprise. NEO Café uses HCCS Culinary Arts students to work with its full-time staff to prepare meals and complements the Culinary Arts Program by giving students the opportunity to run a kitchen, prepare a meal under time constraints and deal with the public. The Texas Higher Education Coordinating Board (THECB) has rated the HCCS Culinary Arts program exemplary.

NEO Café's operation includes a "front of the house" (NEO Café) and the "back of the house" (Culinary Arts) components. Designed to serve 500, the kitchen is a contemporary cafeteria located on the main floor of the 3100 Main administration building. The Café has areas to distribute hot meals, refrigerated and unrefrigerated cases for pastries and other bakery items, showcases for salads and a spacious seating area.

The NEO Café mission is two-fold: "To serve as a work experience setting for HCCS Culinary Arts students and to serve as a revenue-generating café and auxiliary enterprise for HCCS/Central College."

NEO's primary clients include the staff and tenants of 3100 Main. The program is expanding its catering business. NEO Café staff and the Culinary Arts Program instructional staff share the kitchens. The peak serving times are between 11 a.m. and 1 p.m.

Students work with hourly employees to prepare daily specials, gourmet style entrees and bakery items. **Exhibit 11-10** presents a sample menu for the week of November 11 through November 15.

Exhibit 11-10
NEO Café Menu
November 11, 2002 through November 15, 2002

Weekly Features	
Monday	Cream of Mushroom Soup Consommé Pasta Bolognese Braised Lamb Shank Chicken Pot Pie
Tuesday	Vegetarian Vegetable Soup Black Bean Soup Southern Fried Chicken

	Grilled Salmon Beef Short Ribs
Wednesday	Roasted Tomato Soup Tuscan Bean Soup Jambalaya Chicken Chasseur Sauté Fish of the Day
Thursday	Chicken Noodle Soup Seafood Gumbo Assorted Pizzas Roast Top Round Gumbo as Entrée
Friday	Cream of Broccoli Soup French Onion Soup Fried Catfish Apple Stuffed Pork Chop Chicken Breast Vin Blanc and Fine Herbs

Daily Features

- Breakfast Tacos (Daily from 7 a.m. until 10 a.m.)
- Assorted Pastries (Baked fresh every morning)
- Fresh Vegetables
- Fresh Grilled Chicken Breast Sandwich
- Freshly Chargrilled Burgers
- Fettuccine Alfredo
- Linguini Marinara
- 6 oz Tuna Steak Sandwich with Creole Tarter

Showcased Each Day

- Delicious Desserts and Cakes
- Variety of Salads
- Freshly Made Sandwiches
- Snack Items
- Wide Variety of Assorted Bottled Beverages

Source: NEO Café Menu.

The college operations officer at Central College provides the operational oversight of NEO Café. The manager of Food Services manages the daily restaurant operations, while the banquet chef oversees the food preparation side of the café. The assistant food operations manager develops and expands catering opportunities, supervises the daily operation and integrates the sometimes very different academic objectives with the profitability mandate set by the system.

Support staff includes an accounting specialist, five food service workers, an inventory specialist, two lab technicians and two cashiers. **Exhibit 11-11** presents the organization chart for NEO Café.

Exhibit 11-11
NEO Café Organization
2002-03
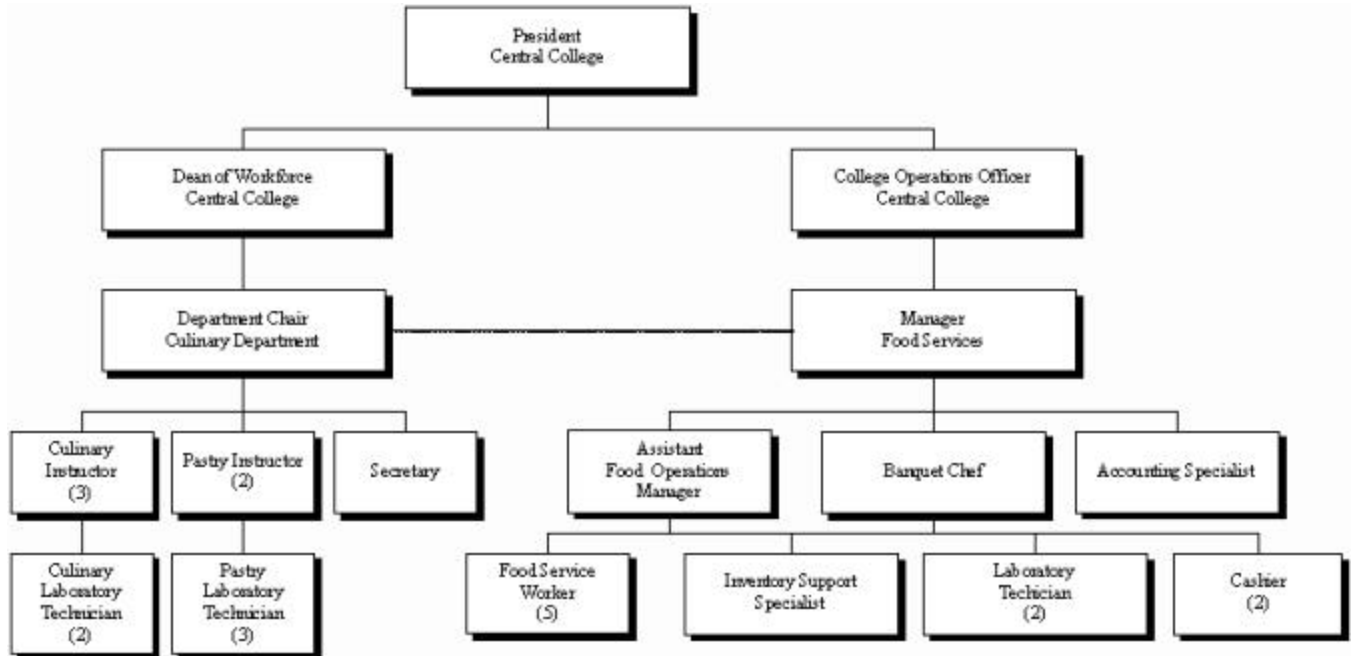
Source: HCCS, College Operations Officer (COO), Central College.

FINDING

The system has a difficult time drawing a clear boundary between the instructional component and the retail component of the NEO Café resulting in a lack of direction for staff. Although NEO Café includes serving as a training vehicle for HCCS students in its mission statement, conflict exists between the two functions. It is challenging to establish any new business and NEO Café has several additional obstacles it must overcome. Some of the obstacles identified by the college operations officer (COO) include:

- **Lack of consistent product quality**. NEO Café has yet to find its identity. Because the operation is greatly integrated with instruction, the café has not been able to establish a standard menu cycle. The café serves what the students prepare as part of their curriculum. No standard procedures exist nor are there standardized recipes. Patrons tend to return time and again to a particular restaurant seeking to re-experience positive visits. A hit-or-miss operation cannot survive in the restaurant business because there are simply too many alternatives.

- **Lack of consistent service**. A critical key to the success of this enterprise is the quality of the service. NEO Café relies upon the return business of the 3100 Main administration

building occupants. Road construction in the immediate vicinity significantly limits street traffic. Currently, food service workers do not perform tasks originally assigned. Food service clean-up people are now serving; the cashiers clean tables and the manager and assistant manager must serve as mediators between the instructional component and NEO Café; two operations that have entirely different priorities. NEO Café has not achieved consistent service.

- **Consistent product availability**. Successful restaurants create products that anchor patron loyalty and acceptance. NEO Café has not been able to establish its "anchor." One day the Café offers pastries that sell out in 10 minutes but then never offer the pastries again. For someone who appreciates variety, the Café has a great advantage. Unfortunately, the familiar draws many people, especially during lunch. When they find a food item they like, they want to be able to purchase it again. Although NEO Café has attempted to offer daily items, the particular interests of the academic chefs and the students make this a difficult task.

The review team observed tension between the two sides of the operation during its visit to NEO Café. An instructional program focuses on students' learning needs, while retail operation must focus on the bottom line. These two philosophies are difficult to effectively mingle. As one would expect in a higher education setting, the educational goals take priority. Although this is commendable, it hinders the ability of NEO Café to accomplish the system's profitability expectations. Infighting adversely affects both students and staff, and this negative environment could eventually be reflected in the food product and ultimately impact the customer.

The system had difficulty determining what percentage of the flour used in the pastries should be charged against the instructional budget when the pastry preparation was a part of the coursework but being sold to the public. Therefore, the system decided to charge all food purchases against the NEO Café budget, which has artificially inflated the retail side operating costs. The commingled costs make it difficult for the NEO Café management to effectively track its performance.

Because the blurred lines of authority between the instruction side and the retail side, staff is not clear about their job duties. Although NEO Café staff report directly to the manager or the assistant manager, the instructional management issue them directives. Essentially, NEO Café staff report to both sides of the house. As a result, the café is not operating efficiently and significant problems with employee morale exist.

A successful business must have a clear focus and work toward meeting that focus. A restaurant venture is by its nature risky. Success cannot be guaranteed because the food is good. Many restaurant opportunities fail because they have not identified their product line; measured customer likes and dislikes; determined their competitive advantage; or clearly established employee roles. Teamwork is a key element of success.

The system allocated $200,000 as start-up costs for the café. It was projected that sales would increase by 30 percent in the first year, 25 percent in the second year, 20 percent in the third year and 15 percent in subsequent years.

Recommendation 106:

Segregate the instructional program from NEO Café and allow staff to run the operation as a profit-making enterprise.

The system should segregate the two components. The NEO Café should operate independently and focus on profitability and maintaining food and labor costs. The master chefs will determine the daily menus, and the café will continue to use student labor as part of the Culinary Arts curriculum to maintain the quality of the menu items and minimize labor costs. The Culinary Arts side of the program should move back to Central College. Separating the two components will allow each side to concentrate on meeting their own diverse goals and objectives.

By combining food orders the units can take advantage of volume discounts. However, a way to separate the costs must be determined. The system should develop a coding system. Food items ordered for instruction should be coded with an "I" and food items for NEO Café coded with an "R." NEO Café management and the instruction chefs should determine a ratio for items ordered in bulk, such as flour and eggs. For example, 40 percent of all flour might be used for instruction with the remaining 60 percent going to retail. This will allow NEO Café to more accurately track costs and implement any necessary controls to enhance profitability.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The manager of Food Services meets with Information Technology to identify how food items can be distributed between the instructional and retail segments. A programmer adds a data element to the ERP system to distinguish between the two segments.	July 2003
2.	The chancellor, the vice chancellor for Finance and Administration, the president and COO from Central College and the Culinary Arts Department chair meet to determine when the two segments can be separated. The group identifies temporary classroom space to house the Culinary Arts program until permanent facilities can be identified.	August 2003
3.	The Culinary Arts program begins classes in the temporary space.	August 2003
4.	The chancellor and the president of Central College identify permanent classroom space for the Culinary Arts program.	November 2003
5.	The president of Central College, the Central College COO, the executive director of Facilities and the Culinary Arts Department chair meet with the specifications writer to begin the request for bid process for any equipment and/or construction that might be necessary.	December 2003 - January 2004
6.	The president of Central College and the executive director of Purchasing draft an action item recommending vendor(s) and/or contractor(s) for equipment and construction.	February 2004
7.	The board approves the vendor(s) and/or contractor(s), the equipment is ordered by	February 2004

	the Purchasing Department and construction begins.	
8.	The Facilities Department ensures the classroom space and kitchen is prepared.	June 2004
9.	The Culinary Arts program begins classes in the new space.	August 2004

FISCAL IMPACT

There will be equipment and construction costs in 2003-04. Equipping the instructional kitchen is estimated to cost $200,000 (the amount used for NEO Café start-up).

Assuming that NEO Café will be able to increase sales by 30 percent more than its 2003-04 budgeted revenue of $318,815 in the first year, 25 percent in the second year, 20 percent in the third year and 15 percent in subsequent years, as projected; NEO Café can expect revenues to increase $95,645 in 2004-05 ($318,815 x 1.3 minus $318,815), $199,260 in 2005-06 ($414,460 x 1.25 minus $318,815), $302,875 in 2006-07 ($518,075 x 1.20 minus $318,815) and $396,129 ($621,690 x 1.15 minus $318,815) in 2007-08.

If food and labor costs are 55 percent of incremental revenue, the net savings will be:

2004-05: $43,040 ($95,645 x 45 percent)
2005-06: $89,667 ($199,260 x 45 percent)
2006-07: $136,294 ($302,875 x 45 percent)
2007-08: $178,258 ($396,129 x 45 percent)

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08
Purchase equipment and build facilities.	($200,000)	$0	$0	$0	$0
Segregate the instructional program from NEO Café and allow staff to run the café operation as a profit-making enterprise.	$0	$43,040	$89,667	$136,294	$178,258
Net Costs	**($200,000)**	**$43,040**	**$89,667**	**$136,294**	**$178,258**

FINDING

NEO Café did not receive its budget until October 2002. System administration did not assign priority to approving the NEO Café budget until well after the beginning of the fiscal year. The budget delay caused café management problems with ordering products. The accounting specialist did not have access to the financial system or a telephone extension until the end of November 2002, so it was difficult to perform the café's accounting duties.

Exhibit 11-12 presents NEO Café's current budget.

Exhibit 11-12
NEO Café Budget
2002-03

Revenues	
Restaurant Revenue	$318,815
Catering Revenue	$66,000
Total Revenue	**$384,815**
Expenditures	
Salary and Wages (full-time)	$227,911
Salary and Wages (part-time)	$117,000
Benefits	$50,000
Supplies	$350,000
Utilities	$10,000
Technology	$10,000
Total Expenditures	**$764,911**
Excess /(Deficiency) Revenue over Expenditures ($380,096)	

Source: NEO Café Budget.

Successful restaurant managers closely monitor financial performance. Regular financial reports are critical to sound financial management. Managers use historical financial data to project future operating budgets. Effective menu planning is tied to financial performance. By following the sales of a particular menu item, a manager can determine what food items to purchase, in what quantity and whether it is cost effective to continue offering the item. Incorporating the most up-to-date financial information enhances critical decisions related to the operations.

Recommendation 107:

Provide NEO Café the accounting tools necessary to effectively run the business.

The system must provide the café with accounting tools so that management can track financial performance on a regular basis. Given the risk associated with any independent food services enterprise, it is absolutely imperative that it continually tracks its financial performance.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The accounting specialist trains two hours each day for one month with the system accounting specialists to learn how the financial system works and what	July 2003

	management reports are available.	
2.	The Central College COO meets with the vice chancellor for Finance and Administration and the executive director of Financial and Budgetary Control determine the procedures needed to facilitate timely receipt of the café budget.	August - September 2003
3.	The accounting specialist prepares monthly financial statements and management reports for the Central College COO and the manager of Food Services.	August 2003 and Monthly Thereafter
4.	The Central College COO and the manager of Food Services review monthly financial statements and management reports and determine what, if any, operational changes are required.	September 2003 and Monthly Thereafter
5.	The Central College COO briefs the chancellor and vice chancellor for Finance and Administration quarterly on the café's performance.	December 2003 and Quarterly Thereafter

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

NEO Café operates at a loss. The COO of Central College initially estimated the café's annual revenue would range from $750,000 to $1 million. However, in 2002-03, the restaurant only generated $337,230 in revenue. Its primary customers are the tenants of 3100 Main. The customer base has been limited, in part, because 3100 Main has not yet been fully leased and nearby road construction for the light rail system has limited foot traffic.

Catering comprises only 17.2 percent of NEO Café's 2002-03 budget. The restaurant does not have the necessary tools to expand its catering program. For example, HCCS has provided the restaurant with a storage room on the second floor, which it must share with Maintenance. In addition, the Culinary Arts Program does not provide time for catering staff to use the kitchen facilities.

Surveys conducted by café staff indicate a demand for quality catering in the Houston area. NEO Café has received positive responses from clients that have used its catering services. Although the café has an opportunity to cater events for the city of Houston, it does not have a catering truck to transport food or a means to keep food hot or cold depending on their temperature requirements.

Many restaurants use catering to enhance their bottom line. There are very little additional costs associated and the profitability potential more than offsets any needed capital expenditures. Usually, catering can be easily merged with the restaurant's daily operations. Existing staff can prepare the catered items. Depending on the clientele, the profit margins for catering can range from 25 to 45 percent. The café, which caters an average of two events per month, charges an average $2,500 per catering event.

Recommendation 108:

Expand NEO Café's catering services to increase its profits.

The light rail construction has decreased the anticipated customer base for NEO Café. To offset the reduction in customers, the district should immediately expand its catering operations. Catering can provide additional income to increase café profitability. An auxiliary enterprise has a profitability mandate. The system cannot continue to support the café with operating funds. However, the system has made an investment in NEO Café and should follow through by providing the tools that the café needs for success. **Exhibit 11-13** summarizes the capital expenditures required to expand the café catering operation.

Exhibit 11-13
Catering Capital Expenditure Requirements

Description	Quantity	Unit Price	Total Cost
Pan Rack	4	$325	$1,300
Work Table	1	$669	$669
Sheet Pans	60	$12	$720
Utility Cart	4	$763	$3,052
U Boat Cart	1	$319	$319
Roll Top Chaffer	4	$263	$1,052
Chaffers	6	$141	$846
Round Chaffer	4	$82	$328
Full Size Hotel Pans	30	$22	$660
Butane Stove	4	$79	$316
Cambros	2	$1,293	$2,586
Castels	2	$76	$152
Crescor	2	$219	$438
Catering Van with Lift	1	$32,000	$32,000
Total Expenditures			**$44,438**

Source: Central College, college operations officer.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The Central College COO develops a request to obtain bids for a catering truck to	July 2003

	present to the vice chancellor for Finance and Administration.	
2.	The vice chancellor for Finance and Administration approves the request.	July 2003
3.	The specifications writer and the college operations officer develop the request for bid.	July 2003
4.	The chancellor authorizes NEO Café to actively develop its catering operation.	July 2003
5.	The Central College COO, the banquet chef and the manager of Food Services develop a catering schedule that dedicates kitchen space and student cooks to specified time slots.	July 2003
6.	The specifications writer, the NEO Café buyer, the Central College COO and the executive director of Purchasing receive and evaluate bids.	August - September 2003
7.	The manager of Food Services requisitions the remaining equipment.	August 2003
8.	The Central College COO and the executive director of Purchasing draft an action item recommending the vendor for the catering truck.	September 2003
9.	The board approves the purchase of the catering truck.	September 2003
10.	The NEO Café buyer orders the truck.	September 2003

FISCAL IMPACT

The cost of the catering truck has already been budgeted, so the cost is not included in the fiscal impact. The remaining capital needs total $12,438-a one-time cost.

Assuming that a system presently caters an event twice a month for an average rate of $2,500, purchasing a catering truck would allow NEO Café to cater larger events away from 3100 Main and could quadruple the average revenue to $10,000 ($2,500 x 4). In addition, by dedicating kitchen time and cooks to specific time slots, HCCS should be able to increase the number of catering events to three events a month in 2003-04 and 2004-05, four events a month in 2005-06 and six events a month thereafter.

The fiscal impact of implementing this recommendation will be:

      2003-04: $300,000 ($10,000 x 3 events x 12 months) minus ($2,500 x 2 events x 12 months)
      2004-05: $300,000 ($10,000 x 3 events x 12 months) minus ($2,500 x 2 events x 12 months)
      2005-06: $420,000 ($10,000 x 4 events x 12 months) minus ($2,500 x 2 events x 12 months)
      2006-07: $660,000 ($10,000 x 6 events x 12 months) minus ($2,500 x 2 events x 12 months)
      2007-08: $660,000 ($10,000 x 6 events x 12 months) minus ($2,500 x 2 events x 12 months)

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08
Purchase catering supplies.	($12,438)	$0	$0	$0	$0
Expand NEO Café's catering services to increase its profits.	$300,000	$300,000	$420,000	$660,000	$660,000
Net Savings	**$287,562**	**$300,000**	**$420,000**	**$660,000**	**$660,000**

FINDING

The NEO Café does not have adequate security to deter theft and ensure the staff safety. Glass windows on a downtown street surround the café. The cash registers are not very well protected, and the cashiers take the cash drawers downstairs to the safe at closing. Although building security at 3100 Main has always been readily available to accompany the cashiers, cashiers do not always take the time to request their help. The security guards do not have the means to monitor the café during normal operating hours, when the cashiers are closing out their cash drawers or when they transfer money from the safe to the café cash registers. This could leave HCCS open to a negligence claim if a robbery occurred during which a staff member was injured.

Many eating establishments use camera surveillance to monitor the cash register and keep employees safe. Closing cash drawers and counting money usually occurs in the manager's office away from where other employees complete their nightly closing duties. Many businesses keep a minimal amount of cash in the cash drawer during operating hours and place excess cash in a locked safe in the manager's office.

Recommendation 109:

Install surveillance cameras above the cash registers and in the seating area and revise daily cash handling procedures to help ensure the safety of NEO Café staff.

The system has a security system in place for 3100 Main. Cameras have been set up throughout the building and should be added to the café. The security staff who monitor the rest of the building can easily monitor the additional area by camera. Leaving the café unprotected places the system at unnecessary risk and liability.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The manager of Food Services meets with the police chief to determine the necessary steps to add the café to the 3100 Main security system.	July 2003
2.	The college operations officer, the manager of Food Services and the assistant Food Operations manager review the cash counting procedures and develop additional precautionary safety steps to incorporate into the process.	July 2003
3.	The college operations officer at Central College makes a formal request to add the café to	July

	the 3100 Main security system.	2003
4.	The vice chancellor for Finance and Administration approves the request.	August 2003
5.	The manager of Food Service orders a safe for the manager's office to keep excess daily cash.	August 2003
6.	The security company installs the required surveillance equipment.	August 2003

FISCAL IMPACT

The additional security service will require a monthly service fee of $75, or $900 ($75 x 12) annually. This service will not begin until 2003-04. The equipment purchase will require a one-time cost of $2,445 ($1,945 for the camera plus $500 for the safe).

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08
Purchase camera equipment and safe.	($2,445)	$0	$0	$0	$0
Install surveillance cameras above the cash registers and in the seating area and revise daily cash handling procedures to help ensure the safety of NEO Café staff.	($900)	($900)	($900)	($900)	($900)
Net Costs	**($3,345)**	**($900)**	**($900)**	**($900)**	**($900)**

FINDING

NEO Café does not have an advertising budget or a page on the system's Web site. The daily menu posted in the elevators at 3100 Main serves as the café's only advertising method and is not posted until after 10 a.m. The system prohibits NEO Café from posting signs. Community members had no idea that there was a café associated with the Culinary Arts program.

To improve the chance for success in today's competitive marketplace, a business must stand out. Restaurants that fail to develop clearly defined marketing positions centered on specialty products or services generally have a difficult time attracting enough consumer attention and interest to survive increased competition.

Recommendation 110:

Develop an advertising campaign that includes establishing a Web page and posting attractive signage to inform the community about the café.

The system should develop and include a NEO Café Web Page on the HCCS Web Site, which is an inexpensive way to advertise. In addition, the system should allow the café to post a sign. Without signage, café will continue to have problems attracting outside foot traffic.

The café has a unique competitive advantage because it can provide gourmet entrees at a reasonable price. It should aggressively market this advantage. To develop a successful marketing position, the café should:

- determine what sets it apart from the competition;
- set and closely adhere to an advertising budget;
- concern what would draw potential customers into the café;
- identify the client base, understand the demographics of the local population and learn their food preferences; and
- make a commitment to market the business.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The manager of Food Services and the assistant Food Operations manager meet with the college operations officer at Central College to set an advertising budget and submit the budget request to the executive director of Financial and Budgetary Control for approval.	July 2003
2.	The Culinary Arts Department chair and the Fine Arts Department chair meet to set up a four-week student project to create signage for the café.	August 2003
3.	The Fine Arts Department chair assigns the signage project to the fall class.	August 2003
4.	The vice chancellor for Finance and Administration presents the Café budget to the board for approval.	August 2003
5.	The board approves the budget.	August 2003
6.	The assistant Food Operations manager develops menu templates for the café and works with the Information Technology Department to develop the café's Web page.	September 2003
7.	The manager of Food Services and the assistant Food Operations manager develop a marketing plan for the café.	September - October 2003

FISCAL IMPACT

The system should establish an advertising budget of 2 percent of revenue, an industry standard. Although there is a cost associated with this recommendation, the resulting increase in revenue from proper advertising should offset any expenditure. However, because it is difficult to quantify how much revenue will be generated from the advertising, no fiscal impact can be determined.

FINDING

The café does not have a preventive maintenance program or replacement plan for the kitchen equipment. Through scheduled inspections, lubrication, part replacements and repair, preventive maintenance programs increase the useful life of equipment. A high-quality preventive

maintenance program should anticipate maintenance needs and notify the appropriate personnel of required maintenance and repairs to equipment and machinery.

A majority of the NEO Café kitchen equipment was donated. Food service workers do not perform any preventive maintenance on the equipment. Problems that occur tend to be major, so café management submits a work order to the Maintenance Department. If the Maintenance Department cannot resolve the problem, it arranges for a tradesman to fix it.

Many food service organizations plan maintenance projects for a period of five years and keep a database of the year's projects and the anticipated cost of the repair. The database tracks:

- name, serial number, age and location of equipment;
- desired operating characteristics;
- date of last preventive maintenance;
- date of next scheduled preventive maintenance;
- any discovered malfunctions;
- any corrective actions taken; and
- record of replacement parts.

The five-year plan provides the opportunity to budget both time and funds into the future. It ensures the availability of staff and proper supplies to keep equipment operating at maximum performance levels.

Recommendation 111:

Develop a preventive maintenance plan to extend the life of the kitchen equipment and a replacement plan for equipment that can no longer be used effectively.

A database should be set up to track the scheduled dates for preventive maintenance to ensure proper maintenance of all food service equipment. Food Service workers and laboratory technicians should be trained to perform the minor preventive maintenance, such as lubrication and proper cleaning techniques that will prolong the life of the equipment. The benefits of such a program should include reduced downtime for critical systems and equipment, extended life for facilities and equipment, improved equipment reliability and an improved overall appearance in the facilities.

In addition, the system must develop a replacement policy for equipment and begin to budget for these capital expenditures. Food service equipment usually lasts 10 years. If an effective replacement policy is not in place, the loss of a critical piece of equipment could cripple the business.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The college operations officer at Central College and the manager of Food Services meet with the executive director of Facilities Management and identify what type of preventative maintenance will be required.	October 2003

2.	The college operations officer at Central College and the manager of Food Services conduct industry research to develop a reasonable replacement policy for the kitchen equipment.	November 2003
3.	The college operations officer at Central College and the manager of Food Services meet with the executive director of Financial Information Systems to develop a database that will track preventive maintenance.	December 2003
4.	The Information Technology Department creates the database and trains the NEO Café accounting specialist.	December 2003 - January 2004
5.	The college operations officer at Central College, the manager of Food Services and the executive director of Facilities Management develop a five-year preventive maintenance plan.	February - March 2004
6.	The NEO Café accounting specialist maintains the preventive maintenance database.	Ongoing

FISCAL IMPACT

NEO Café should set aside $1,000 per month, or $12,000 annually, for its preventive maintenance program.

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08
Develop a preventive maintenance plan to extend the life of the kitchen equipment and a replacement plan for equipment that can no longer be used effectively.	($12,000)	($12,000)	($12,000)	($12,000)	($12,000)

Chapter 11
AUXILIARY AND SERVICE ENTERPRISES

C. Heinen Theatre

Located at Central College, the Heinen Theatre is the restored former Temple Beth Israel built in 1924. In 1984, the space was renovated for the college and the community. The professionally equipped theatre features excellent acoustics and sight lines. The facility serves a dual purpose for the college by supporting Central College's Fine Arts program and offering the community rental space for Houston performance groups. Every February the Fine Arts Department and the theatre staff meet to set the dates it will use the facility. After the department sets its dates, the facility rental dates fill very quickly. In addition to the Heinen Theatre, a smaller theatre, Theatre One, is also available for public rental.

The department is committed to building "midtown" into a center for arts education. Since the theatre is close to the museum district, it is trying to establish a reputation in this historic section of Houston. A student performance costs students $3 and non-students $5. The system believes the theatre's low admission prices will help entice the public to attend Fine Arts Department events. **Exhibit 11-14** illustrates facility use for July 2002. Through the end of July 2002, the facility had earned $43,902, with the majority of the income resulting from community rental of the facility.

Exhibit 11-14
House Management Report
July 2002

Date	Type	Producer	Title	Attendance	Perf	Box	Revenue	Overhire
7/10/02	HCCS-ADM	Carroll Robinson	Town Hall Meeting	25	1	$0	$0	$0
7/19/02	HCCS-FAD	World Dance	Dance Performance	130	2	$0	$0	$0
7/25/02	HCCS-FAD	Mark Holter	Jazz Concert	17	1	$0	$0	$0
7/27/02	Rental	Louie's Girls	Musical	190	1	$0	$1,190	$0
7/28/02	HCCS-FAD	Theatre Production	Tartuffe	543	13	$2,279	$0	$400
Year				**13,260**	**109**	**$3,425**	**$43,902**	**$725**

to Date								

Heinen Theatre receives its operating income from rental payments. The funds generated from community rentals contribute to the maintenance and upkeep of the facility. Two full-time "front of the house" staff members manage the publicity and box office activities. The theatre manager oversees overall management of the facility and designs sets. A shop foreman and three part-time staff report to the theatre manager and assist him in maintaining the facilities, operating lighting and sound equipment and set design.

FINDING

From 2000-01 to 2001-02, the theatre manager implemented a process that increased the rental income from $15,000 to $48,000. The theatre manager developed a contract template used for all rental contracts. The contract specifies which HCCS staff should be on duty during the rental period, the insurance requirements and minimum charges for the facility. Renters must provide a non-refundable deposit to execute the rental contract. However, if HCCS cancels the rental agreement, this deposit can be refunded. A fee schedule attached to the contract itemizes charges for which the renter is responsible. **Exhibit 11-15** outlines the fee schedule.

Exhibit 11-15
Fee Schedule

Type of Rental	Heinen Stage	Theatre One Stage	Rotunda
Stage and Basic Equipment Rental	$50/hour	$25/hour	With rental of theatre: No charge Without rental of theatre: $50/hour
Technical Director (Required)	$20/hour	$20/hour	Not applicable
Stage Hands/Operators (Required)	$11-15/hour	$11-15/hour	Not applicable
House Manager***	$18/hour	$18/hour	Not applicable
Ushers** (3 or 4)	$8/hour, each	$8/hour, each	Not applicable

Security** (usually 2)	$20/hour, each	$20/hour, each	Not applicable
Box Office Manager (Optional)	$15/hour	$15/hour	Not applicable
Follow Spot Operators (1-2 - Optional)*	$11/hour, each	$11/hour, each	Not applicable
Technician I (Optional)*	$11/hour	$11/hour	Not applicable
Technician II (Optional)*	$15/hour	$15/hour	Not applicable

Source: HCCS, Central College, Theatre manager, Rate Schedule.
*4-hour minimum.
**Required during performance - 4-hour minimum.
***Required during performance - 5-hour minimum.

The theatre also rents out specialty items, including a dance floor, fog machine, hazer, mirror ball, wireless microphone, grand piano, electric piano, projection screen and follow spot at a daily rate. Theatre personnel also are available to provide audio and sound engineering, lighting and set design for groups wishing to rent out the facility.

COMMENDATION

The Fine Arts Department has successfully increased the rental income generated by the theatre facility.

FINDING

The theatre's purchasing process is cumbersome. The theatre has a difficult time using the system purchasing process for items necessary for productions, such as costumes and props. Since the department often makes one-time purchases from individuals who sell items at craft shows, many Fine Arts Department vendors are not on the system's approved vendor list. The Purchasing Department does not have a dedicated buyer to deal directly with the Fine Arts Department to ease the process.

In April of 2001, the system froze general operating funds so that Purchasing could close out its books for the year. Although the Fine Arts Department still had earmarked funds remaining for summer productions, the system closed the budget account. This caused a significant problem for the department's productions scheduled through the summer months. Purchasing personnel do not understand the unique purchasing

requirements associated with the Fine Arts productions. A lack of communications between the departments contributes to the problem.

Glendale Community College uses open blanket purchase orders to address similar situations. At the beginning of the budget year, each department chair reviews its program schedule and determines what, if any, purchases will require a blanket purchase order. Then they complete a requisition to open a blanket purchase order. If the college needs to close out all purchase orders prior to year-end, the department chairs review all outstanding purchase orders with the director of purchasing. Special consideration is given to departments that have items budgeted, but remaining to be purchased. The purchase order is either left open or the department chair makes the necessary purchases immediately.

Recommendation 112:

Dedicate a buyer to the Fine Arts Department to address its unique purchasing requirements.

When the Fine Arts Department chair receives its approved budget, an open blanket purchase order should be created. A buyer should be assigned to the Fine Arts Department to ensure that all necessary purchases can fit the Fine Arts Department and the system timeline constraints.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The theatre manager, the Fine Arts department chair and the executive director of Purchasing meet to discuss the theatre's unique purchasing requirements.	July 2003
2.	The executive director assigns a buyer to the Theatre program.	August 2003
3.	The buyer meets with the Fine Arts department chair and the theatre manager and identifies what open blanket purchase orders will have to be set up for the next fiscal year.	August 2003 and Annually
4.	The theatre manager and the buyer identify any special purchasing items that will be needed at the beginning of every month.	September 2003 and Monthly

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 11
AUXILIARY AND SERVICE ENTERPRISES

D. Fitness Center

Located at HCCS' central campus, the Fitness Center's amenities include a weight room, pool area, shower and locker facilities and a gymnasium. The facility operates Monday through Friday 6:15 a.m. until 8:15 p.m. and Saturday 10 a.m. until 2 p.m.

The director of the Fitness Center also serves as the Physical Education chair. The director manages the daily operations of the Fitness Center; however, the college operations officer of Central College and the vice chancellor for Finance and Administration share overall supervision of the Fitness Center's facility and financial management. Additional staff includes a full-time Fitness Center manager paid on an hourly basis, a full-time salary-based secretary and 12 part-time employees who teach fitness classes and operate the center's front desk. **Exhibit 11-16** presents the 2002-03 organization structure of the Fitness Center.

Exhibit 11-16
HCCS Fitness Center Organization
2002-03
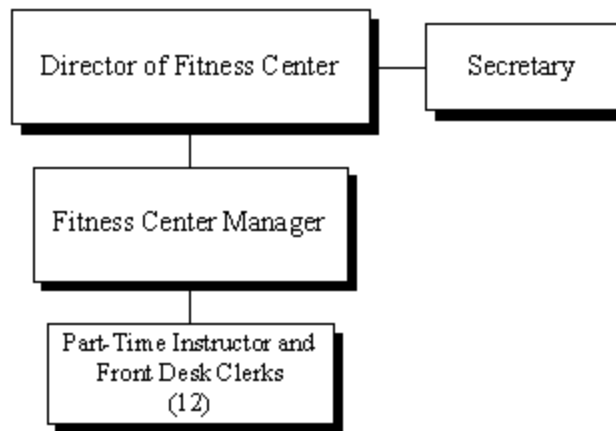
Source: HCCS, department chair, Fitness Center.

The Fitness Center staff serves more than 600 members on a monthly basis, 119 of whom use the facility daily. The HCCS bursar's office at central college collects membership fees.

The Fitness Center director's salary is included in the Physical Education Department's budget, which has projected revenue for 2002-03 of

$80,000. **Exhibit 11-17** presents the annual budget of the fitness center for 2002-03.

Exhibit 11-17
HCCS Fitness Center Budget
2002-03

Expenditure	
Full-Time Salary	$32,900
Part-Time Wages	$17,100
Supplies and General Expenses	$6,900
Travel	$1,500
Maintenance/Repair	$16,000
Equipment/Fixed Assets	$20,000
Total Expenditures	**$94,400**
Projected Annual Revenue	$80,000
Expenditures greater than Revenue	**($14,400)**

Source: HCCS, Fitness Center Budget.

FINDING

HCCS' Fitness Center offers a quality, full-service program at a minimal monthly membership fee. However, the budget for 2002-03 indicates that the center will lose $14,400. In addition, since the facility needs renovating, it will eventually incur increased expenditures.

HCCS students, institution faculty and staff, family members of faculty and senior citizens may join the center. In addition to the weight room, swimming pool, gymnasium and locker room facilities, the Fitness Center offers group exercise classes. Fitness classes administered through the college curriculum for physical education course credit also are taught at the facility. Group fitness classes offered at HCCS include weight training theory, aerobics, swimming, yoga, Chinese martial arts and Tai Chi.

Although the Fitness Center offers services similar to those of private fitness centers in Houston, its membership fees are low in comparison. HCCS students who join pay a monthly fee of $20 or $75 for a semester. Members of the Fitness Center can bring guests for a $5 daily fee. HCCS faculty who join pay a monthly fee of $8.32. Family members of faculty can also join the Fitness Center for a monthly fee of $10.40 each. Student

family members are not eligible for membership to the facility. Fees for faculty and their family members are obtained through payroll deductions. In addition, HCCS offers a six-month membership to community members 55 years or older for $50.

The University of Texas at Austin (UTA) also offers a full-service fitness program and facility; however, the membership fees for faculty exceed that of HCCS. Faculty members pay $197 for an annual membership, and their family members pay $80 each semester. In addition, students may sponsor one person as a member of the facility for a higher fee than that for students, faculty or faculty family members. Sponsored members pay $140 for a semester membership to the facility. The UTA facility has the capacity for the increased membership, and the additional fees are necessary to offer a full-service program.

The HCCS Fitness Center had approximately 600 members (as of October 2002) including 163 faculty and 94 family memberships.

Recommendation 113:

Implement revised fee and membership eligibility policies that are necessary to maintain the Fitness Center as a self-supporting operation.

HCCS should increase the Fitness Center fees for faculty and faculty family members to match those of private fitness facilities and other colleges offering a similar program. An increase in the faculty and faculty family member monthly fees of 25 percent would cost faculty $125 and family members $160 annually. In addition, HCCS should offer semester memberships to guests of HCCS students for $75 each. The Fitness Center manager should work with the director and Fitness Center staff to create ways to circulate the information about the expanded membership offerings. HCCS should inform students about the new service and the benefits of entering into a fitness program with a sponsored guest.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The vice chancellor for Finance and Administration submits a request to the board to increase the fees charged to faculty members.	July 2003
2.	The board approves the request to increase fees.	July 2003
3.	The director of the Fitness Center documents the revised fee schedule and notifies the Human Resources Department of the increased rate for faculty.	August 2003

4.	The director of the Fitness Center and the Fitness Center manager meet to discuss methods for notifying students of the new policy for sponsoring guests.	August 2003
5.	The director of the Fitness Center and the Fitness Center manager revise documents for the Fitness Center and publications for the upcoming fall semester to include advertisements about the new offering.	August 2003 and ongoing
6.	The director of the Fitness Center implements the new fee schedule.	September 2003

FISCAL IMPACT

The fiscal impact of implementing this recommendation could increase annual revenues by $13,746. The figure is calculated using the membership totals during October 2002 for HCCS students, faculty and family of faculty. There are 163 faculty, 94 family and approximately 600 total members at the Fitness Center. An increase of 25 percent in the monthly fees of $8.32 for faculty and $10.40 for family members will increase fees to $10.40 and $13.00. Revised fees will generate $583 on a monthly basis [($10.40 new rate - $8.32 previous rate) = $2.08 x 163 faculty members = $339] + [($13.00 - $10.40) = $2.60 x 94 family members = $244]. This increase will generate an additional $6,996 for the Fitness Center annually ($583 x 12).

Approximately 300 HCCS students are members of the Fitness Center. A conservative assumption that 15 percent of the current student members will sponsor a guest each semester will increase the Fitness Center's annual revenue by $6,750 (300 students x 15 percent = 45 sponsored members x $75 semester fee x 2 semesters = $6,750).

The total annual fiscal impact is $13,746 ($6,996 faculty and family + $6,750 students).

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08
Implement revised fee and membership eligibility policies that are necessary to maintain the Fitness Center as a self-supporting operation.	$13,746	$13,746	$13,746	$13,746	$13,746

Chapter 11
AUXILIARY AND SERVICE ENTERPRISES

E. Elderhostel

Since August 1999, HCCS served as the local sponsor of the highly accredited Elderhostel program, a non-profit organization dedicated to providing learning and enrichment opportunities at cost-efficient prices. The Elderhostel, which has headquarters in Boston, is the world's largest education and travel organization for adults 55 and over. HCCS implemented the program to serve the senior community and potentially earn revenue for HCCS.

Previously, HCCS offered similar instructional courses through the continuing education curriculum; however, the national exposure for HCCS and the revenue aspect of Elderhostel motivated HCCS to transition the program into an auxiliary service through the national organization.

The various sponsors of Elderhostel submit program offerings in their area for the upcoming year. Programs are published in a catalog sent to Elderhostel members. Event submissions contain program descriptions, dates and approximate cost for each participant. Sponsors reserve lodging, acquire tickets if necessary and schedule the event for all participants.

The national organization decides on the final tuition, and sponsors have the right to cancel the event if the assigned fees will not cover the cost of the program. Participants pay one sum for the entire trip to Elderhostel, and the national organization retains a small portion of the tuition. The sponsor receives the remaining fees. The organization's priority is to offer low prices to participants. HCCS essentially breaks even with this auxiliary service every year.

HCCS created activities in fine arts, culinary arts and space exploration discovery. Fine arts courses include topics such as instruments and music of the Houston Symphony, art exhibits and fine arts museums in Houston and a history and performance at the Houston Grand Opera. Local chefs and bakers present culinary arts courses on fine dining, wine selection, innovative food-preparation methods and epicurean delights. The program designed for grandparents and their grandchildren, ages 9 to 12, receives the highest enrollment. This inter-generational activity includes a visit to the Johnson Space Center, the visitor's center of NASA in Houston, Texas.

Exhibit 11-18 displays the enrollment, revenue, expenditures and profit earned from programs offered through the Elderhostel program at HCCS during 2001-02.

Exhibit 11-18
Elderhostel Program at HCCS
2001-02

Course	Date	Enrollment	Expenses	Reimbursement from Elderhostel	HCCS Profit (Loss)
Fine Arts	1/28/02 - 2/2/02	31	$13,727	$12,983	($744)
Fine Arts	2/10/02 - 2/15/02	30	$14,102	$15,205	$1,103
Culinary Arts	3/10/02 - 3/15/02	13	$6,534	$8,328	$1,794
Space Center	6/16/02 - 6/21/02	53	$27,765	$29,027	$1,262
Space Center	9/23/02 - 6/28/02	58	$28,222	$32,248	$4,026
Space Center	7/7/02 - 7/12/02	46	$24,534	$25,214	$680
Total		**231**	**$114,884**	**$123,005**	**$8,121**

Source: HCCS Grant Manager.

FINDING

An employee who works full-time as a grant manager administers the HCCS Elderhostel. The contract's term will end in March 2003. Since the grant manager serves on a voluntary basis, HCCS is in jeopardy of losing sponsorship of Elderhostel if the grant manager leaves the system.

The HCCS chapter of Elderhostel was implemented and managed by a program manager for continuing education. Initially, the program manager was an hourly paid employee, and Elderhostel duties were handled along with the more time-consuming program manager duties. Recently, the employee has become a grant manager. This is a salary-based employee with full-time responsibilities for another program; however, the employee continues to administer Elderhostel activities on a voluntary basis. The grant manager reports to the director of corporate training and continuing education.

The grant manager has check-writing authority to pay hotels and other vendors that supply various aspects of each sponsored event. The duties required to administer Elderhostel sponsorship include:

- creating programs with educational and instructional content;
- designing an annual schedule of events to be offered in Houston, Texas;
- coordinating reservations for use of facilities for events;
- scheduling lodging and meals;
- creating event descriptions and submit on an annual basis by Elderhostel deadline;
- calculating the fee structure necessary to cover the costs to HCCS;
- analyzing Elderhostel's tuition decision for feasibility;
- paying invoices to vendors supplying activities; and
- attending events with participants.

The grant manager has spent less time on Elderhostel activities during 2002-03. Since the grant position demands full-time hours, and the position's future is uncertain, activities have declined slightly. The grant manager has a personal interest in the program and attempts to administer the necessary attention to the function; however, the absence of future planning and compensation to the grant manager indicate a possible lack of interest in continued sponsorship of the program.

The time necessary to adequately administer the program varies throughout the year. The grant manager spends more time on Elderhostel activities during August, September and October. During this time, activities are being planned and scheduled for the following year. Hours vary widely during January through July when the activities occur. The grant manager spends an average of 15 hours each month on the Elderhostel function. All part-time program managers are paid $16.90 per hour.

North Harris Montgomery Community College (NHMCC) offers a program that was previously administered on a voluntary basis by a college employee. The Kids on Campus program was not receiving adequate attention since the employee worked full-time on another function. NHMCC hired a teacher from a local public school district to manage the Kids on Campus program on a part-time basis. The teacher was able to work with the Kids on Campus program part-time, with more hours during the summer when public school is not in session. NHMCC determined that it was important for the college to continue to offer the program to the community, and the part-time management of the program provided a good solution.

Recommendation 114:

Formalize the management of the Elderhostel program.

Sponsorship of the Elderhostel program achieves a positive image for HCCS by offering a valuable service to the senior citizen community. Depending on the grant management needs in March 2003, HCCS should either offer the grant manager part-time employment or assign the Elderhostel duties to an individual with the necessary qualifications and availability for proper management of Elderhostel activities. HCCS should consider soliciting individuals from local public school districts, since these individuals have flexible schedules in the summer and have experience in an education environment.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The vice chancellor for Finance and Administration meets with the grant manager to review the duties necessary to administer the program.	July 2003
2.	The vice chancellor for Finance and Administration, along with the assistance of the director of Corporate Training and Continuing Education, decide on the department needs and personnel workload at that time.	July 2003
3.	The director of corporate training and continuing education decides to revise the duties of the grant manager or hire an individual on a part-time basis to manage the Elderhostel program.	August 2003
4.	Management of the Elderhostel program is formalized.	September 2003 and Ongoing

FISCAL IMPACT

The Elderhostel program costs $3,042 to manage annually. The grant manager spends an average of 15 hours each month on the Elderhostel function. The fiscal impact is calculated using the hourly rate of a professional, non-faculty, program manager position at HCCS. All part-time program managers are paid $16.90 per hour, and since this position will require less than 20 hours each week, benefit expenses will not be incurred. Therefore, the cost of formally offering the Elderhostel program is $3,042 [15 hours x 12 months x $16.90 per hour].

Recommendation	2003-04	2004-05	2005-06	2006-07	2007-08
Formalize the management of the Elderhostel program.	($3,042)	($3,042)	($3,042)	($3,042)	($3,042)

Appendix A
TELEPHONE SURVEY RESULTS

Telephone Survey Results - Part 1

METHODOLOGY

The 2002 Houston Community College System (HCCS) Public Input Survey is based on the results of 750 telephone interviews conducted with adult residents of the HCCS tax district, which is comprised of the Houston, Stafford and Missouri City ISD's. A random sample of HCCS tax district households was provided by Survey Sampling, Inc. To ensure a geographically representative sample, households were randomly selected from each tax district zip code in direct proportion to residential telephone listings. English and Spanish interviewing was conducted from October 16 through October 25, 2002.

OBJECTIVES

Primary objectives of the 2002 HCCS Public Input Survey include:

- Measuring levels of awareness of HCCS programs and services among residents of the tax district.
- Measuring current and total rates of enrollment in HCCS classes among tax district residents.
- Assessing perceptions of HCCS effectiveness in the core mission areas of higher education and workforce training programs and services.
- Assessing public opinion of HCCS performance in areas of fiscal responsibility, responsiveness to the needs of the Houston business community and responsiveness to the needs of the community in general.
- Measuring any differences in perceptions of those whose households include someone who is attending or has attended classes at HCCS and those who have no direct experience with the institution.
- Develop a demographic profile of adult residents of the HCCS tax district.

PRIMARY RESULTS

Significant findings of the 2002 HCCS Public Input Survey include:

- Public awareness of HCCS higher education and workforce training programs and services is moderate, with four in 10

respondents indicating they know a great deal or some about HCCS programs and services.

- Use of HCCS programs and services is high, with one in 10 respondents indicating a member of their household is currently enrolled and nearly half indicating a member of their household has ever attended classes at HCCS.
- Respondents who have sufficient knowledge of HCCS to provide ratings of the institution indicate positive perceptions of HCCS's effectiveness in providing higher education and workforce training programs and services.
- Tax district residents also feel the job HCCS does in providing higher education and workforce training programs is better or comparable to the job done by other community college systems in Texas.
- Survey respondents express positive to highly positive perceptions of HCCS's fiscal responsibility and responsiveness to diverse community needs. Although ratings of responsiveness to business community needs are somewhat lower, this is largely a function of higher percentages indicating neutral opinions in this area.
- Positive perceptions of HCCS extend to a moderately high degree of willingness to consider enrolling in classes offered by the institution.
- Respondents whose household includes someone who has attended classes at HCCS exhibit higher levels of awareness and more positive perceptions of the institution on virtually all measures.
- In general, African American and Hispanic respondents exhibit higher levels of awareness and more positive perceptions of HCCS than their White, Non-Hispanic counterparts in the taxing district.

PUBLIC AWARENESS

Levels of public awareness of educational and workforce training programs and services provided by HCCS are moderate:

- Forty-three percent of respondents said they know a "great deal" (15 percent) or "some" (28 percent) about programs and services provided by HCCS.
- Fifty-six percent of respondents said they know "nothing at all" (33 percent) or (23 percent) "not much" about HCCS programs and services.

Awareness of HCCS Programs and Services Is Moderate

A Great Deal 15%

Nothing At All 33%

Some 28%

Not Much 23%
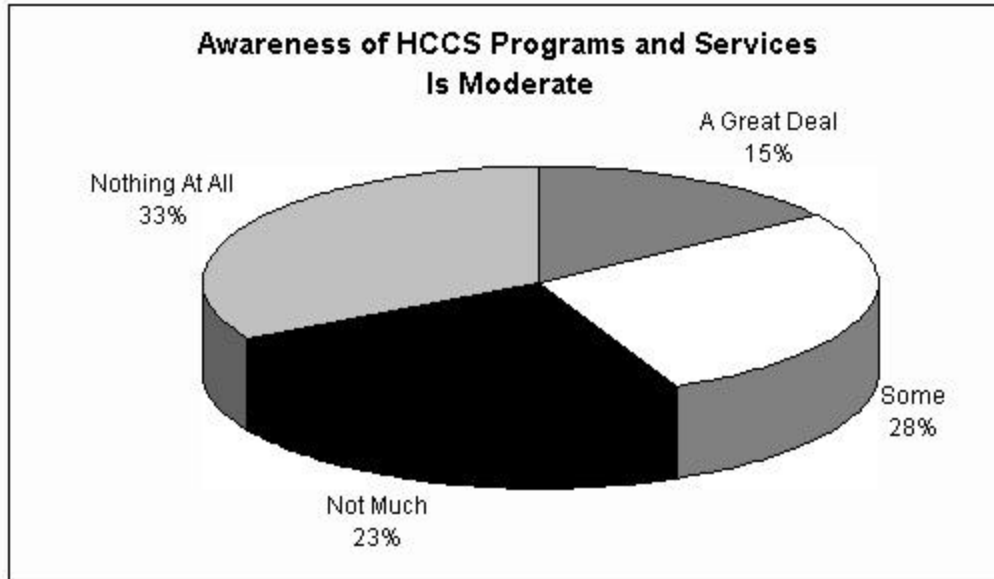
Awareness and HCCS Enrollment

As would be expected, survey respondents whose households include a member who has attended HCCS express significantly higher levels of awareness of HCCS programs and services than their counterparts whose households do not include a member who has attended HCCS:

- Respondents whose households include a member who has attended classes at HCCS are approximately twice as likely (21 percent) to say they know a great deal about HCCS programs and services as those whose households do not include a member who has attended HCCS (11 percent).
- Respondents whose households include a member who has attended HCCS are also twice as likely (60 percent) as those whose households do not include a member who has attended (30 percent) to say they know a great deal or some about HCCS programs and services.

Awareness by HCCS Enrollment		
	Attended	**Not Attended**
Great Deal	21.0%	10.9%
Some	39.3%	19.4%
Not Much	22.0%	24.6%
Nothing At All	17.7%	45.1%

Awareness and Race/Ethnicity

African Americans expressed the highest levels of knowledge of HCCS educational and workforce training programs and services, followed by Hispanics and White, Non-Hispanics:

- African Americans are most likely (23 percent) to say they know a great deal about HCCS educational and workforce training programs, followed by Hispanics (18 percent) and White, Non-Hispanics (9 percent).
- Over half (54 percent) of African Americans said they know a great deal (23 percent) or some (32 percent) about HCCS educational and workforce training programs and services.

HCCS Awareness by Race/Ethnicity			
	White, Non-Hispanic	African American	Hispanic
A Great Deal	8.8%	22.6%	17.5%
Some	27.9%	31.6%	23.7%
Not Much	22.5%	22.0%	26.3%
Nothing At All	40.8%	23.7%	32.5%

- This is substantially higher than the four in 10 (42 percent) Hispanics who said they know a great deal (18 percent) or some (24 percent) about HCCS educational and workforce training programs and services.
- White, Non-Hispanics were least likely (37 percent) to say they know a great deal (9 percent) or some (28 percent) about HCCS programs and services.

HCCS USE

As measured by current and prior enrollment in HCCS programs and services, use is high among tax district residents:

- Eleven percent of respondents indicate a member of their household currently attends classes at HCCS.
- Forty-five percent of respondents indicate someone in their household has attended classes at HCCS.

**Almost Half of Respondents Indicate A Household
Member Has Attended Classes At HCCS**

Category	Value
Currently Attend	11
Ever Attended	45
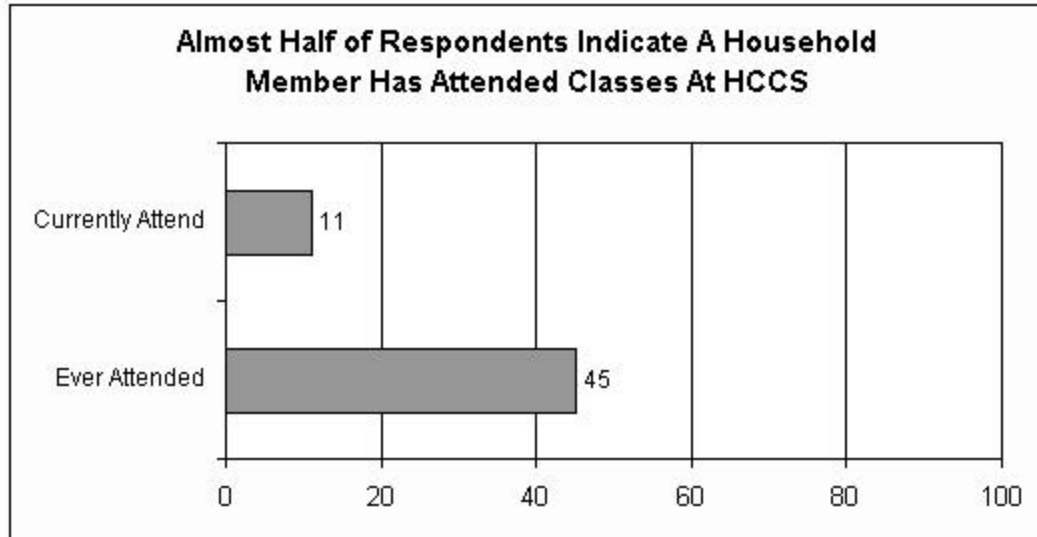
HCCS Use and Race/Ethnicity

- Hispanics (15 percent) are more likely than White, Non-Hispanics (8 percent) or African Americans (7 percent) to say their household includes someone who currently attends classes at HCCS.
- Although Hispanics are somewhat more likely to live in a household that includes a member who currently attends classes at HCCS, they are somewhat less likely (41 percent) than either White, Non-Hispanics (49 percent) or African Americans (49 percent) to say that someone in their household has ever attended HCCS.

Perceptions Of HCCS Effectiveness

As might be expected on the basis of awareness levels, substantial percentages of tax district residents indicate they do not have sufficient information to provide ratings of the effectiveness of HCCS higher education (38 percent) and workforce training (47 percent) programs and services. However, among those who provided ratings, views of HCCS effectiveness are substantially positive:

- On a scale of one to 10, where one is "not at all effective" and 10 is "very effective," respondents provided a mean or average rating of HCCS effectiveness in providing higher education programs of 7.74. More than one-third of respondents provide highly positive ratings of nine or 10 (36 percent) as compared to only three percent who provided highly negative ratings of one or two.
- On the same 10-point scale, respondents provided a mean or average rating of HCCS effectiveness in providing workforce training programs of 7.69. Four in 10 (40 percent) respondents

provided highly positive ratings of nine or 10 as compared to only five percent who provided highly negative ratings of one or two.

- Although more than one-third (36 percent) were unable to compare the job HCCS does in providing higher education and workforce training programs with the job done by other community colleges in Texas, virtually all (98 percent) respondents who provided ratings said that HCCS does a better job (54 percent) or about the same job (44 percent).

Almost All Say HCCS Does A Better or The Same Job As Other Community Colleges

Worse Job 2%

Same Job 44%

Better Job 54%
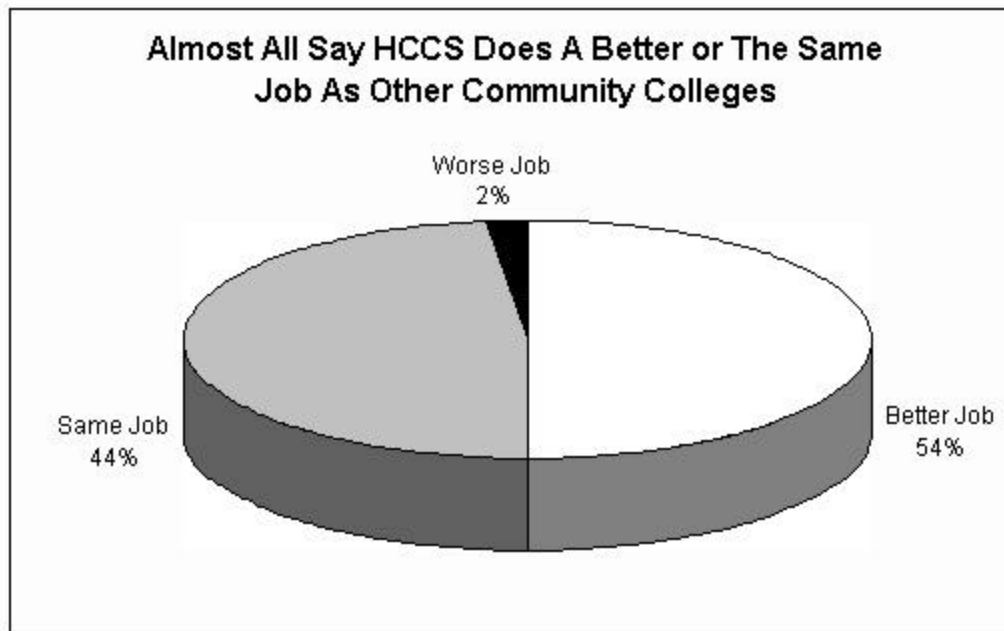
Effectiveness Ratings and HCCS Enrollment

Although respondents whose households include someone who has attended HCCS provide slightly higher effectiveness ratings than those whose households do not, they are somewhat less likely to provide positive comparative ratings of HCCS and other community colleges in the state:

- Among those who provided ratings, respondents whose households include a member who has attended HCCS provided a mean or average rating of 7.97 of the effectiveness of HCCS higher education programs as compared to a mean rating of 7.41 among those whose households do not include anyone who has attended HCCS.
- Respondents whose households include a member who has attended HCCS also provided a somewhat higher mean rating (7.81) of HCCS's effectiveness in providing workforce training programs than those whose households do not (7.53).

- Conversely, respondents whose households include a member who has attended HCCS are somewhat less likely (51 percent) than those whose household does not (58 percent) to indicate that HCCS does a better job of providing higher education and workforce training programs than other community colleges in Texas.

Effectiveness Ratings and Race/Ethnicity

Hispanics provide the most positive ratings of HCCS effectiveness, followed by African Americans and White, Non-Hispanics:

- Hispanics provide the highest mean or average rating of HCCS effectiveness in providing higher education programs (8.25), followed by African Americans (8.06) and White, Non-Hispanics (7.12).
- Hispanics also provide the highest mean or average rating of HCCS effectiveness in providing workforce training programs (8.27), followed by African Americans (7.84) and White, Non-Hispanics (6.91).

HCCS Mean Effectiveness Ratings by Race/Ethnicity			
	White, Non-Hispanic	**African American**	**Hispanic**
Higher Education	7.12	8.06	8.25
Workforce Training	6.91	7.84	8.27

- Hispanics (75 percent) are substantially more likely to indicate that HCCS does a better job of providing higher education and workforce training programs than African Americans (45 percent) or White, Non-Hispanics (42 percent).

Comparative HCCS Rating by Race/Ethnicity			
	White, Non-Hispanic	**African American**	**Hispanic**
Better Job	42.0%	45.2%	75.3%
Same Job	51.7%	54.8%	24.7%
Worse Job	6.3%	---	---

Perceptions Of HCCS Fiscal Responsibility

As measured by respondent perceptions of use of tax dollars and value provided, survey results reveal that tax district residents hold positive views of HCCS's fiscal responsibility:

- Sixty-eight percent of respondents strongly agree (12 percent) or agree (56 percent) that HCCS makes good use of their tax dollars. This is more than five times the percentage (7 percent) indicating they disagree strongly (2 percent) or disagree (5 percent).
- An even larger percentage (72 percent) of respondents strongly agrees (13 percent) or agrees (59 percent) that the public is getting its money's worth with HCCS. Less than one respondent in 10 (5 percent) said they disagree strongly (<1 percent) or disagree (5 percent).

Strong Majorities Agree With Positive Statements About HCCS Fiscal Responsibility
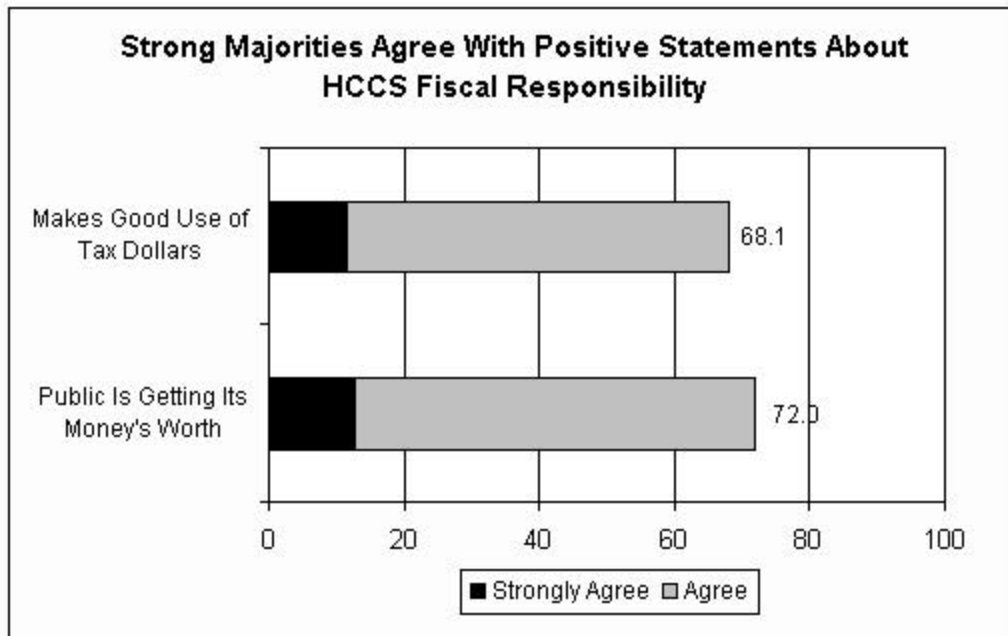
- One quarter of respondents expressed neutral opinions of HCCS's use of tax dollars (25 percent). A virtually equal percentage (23 percent) expressed a neutral view of whether the public is getting their money's worth with HCCS.

Fiscal Responsibility Perceptions and HCCS Enrollment

Respondents whose households include a member who has attended HCCS classes expressed significantly more positive views of the institution's fiscal responsibility than those whose households do not include a member who has attended HCCS:

- Eighty-four percent of respondents whose households include a member who has attended HCCS strongly agree (19 percent) or

agree (65 percent) that the public is getting their money's worth with HCCS. In comparison, six in 10 (61 percent) whose households do not include a member who has attended HCCS strongly agree (8 percent) or agree (54 percent).

Getting Money's Worth by HCCS Enrollment		
	Attended	**Not Attended**
Strongly Agree	18.7%	7.7%
Agree	64.9%	53.7%
No Opinion	10.8%	34.4%
Disagree	5.4%	3.7%
Strongly Disagree	0.3%	0.6%

- More than three-quarters (77 percent) of respondents whose households include a member who has attended HCCS strongly agree (18 percent) or agree (59 percent) that HCCS makes good use of their tax dollars. In comparison, six in 10 (60 percent) of those whose households do not include a member who has attended HCCS strongly agree (6 percent) or agree (53 percent).

Good Use of Tax Dollars by HCCS Enrollment		
	Attended	**Not Attended**
Strongly Agree	17.8%	6.2%
Agree	59.4%	53.4%
No Opinion	15.8%	33.9%
Disagree	5.6%	4.7%
Strongly Disagree	1.3%	1.8%

Fiscal Responsibility Perceptions and Race/Ethnicity

Although perceptions of HCCS' fiscal responsibility are positive across all three major racial and ethnic groups, African Americans and Hispanics consistently offer more positive perceptions than their White, Non-Hispanic counterparts:

- African Americans (71 percent) and Hispanics (70 percent) strongly agree or agree that HCCS makes good use of their tax dollars as compared to just over six in ten (63 percent) White, Non-Hispanics.

HCCS Makes Good Use of Tax Money by Race/Ethnicity			
	White, Non-Hispanic	African American	Hispanic
Strongly Agree	13.1%	14.1%	8.9%
Agree	49.4%	57.1%	61.3%
No Opinion	27.0%	25.3%	25.7%
Disagree	7.2%	3.5%	3.7%
Strongly Disagree	3.4%	---	0.5%

- Approximately three-quarters of African Americans (77 percent) and Hispanics (74 percent) strongly agree or agree that the public is getting its money's worth with HCCS. In comparison, approximately two-thirds of White, Non-Hispanics (67 percent) strongly agree or agree.

Public Getting Money's Worth by Race/Ethnicity			
	White, Non-Hispanic	African American	Hispanic
Strongly Agree	12.5%	17.0%	10.0%
Agree	54.0%	60.2%	64.0%
No Opinion	27.0%	18.1%	24.0%
Disagree	5.6%	4.7%	2.0%
Strongly Disagree	0.8%	---	---

Perceptions Of HCCS Responsiveness To Business

Although substantial percentages indicate neutral opinions on questions regarding HCCS's responsiveness to the business community, positive perceptions in this area outnumber negative ones by ratios of four to one or higher:

- Nearly three-quarters (72 percent) of respondents strongly agree (12 percent) or agree (60 percent) that HCCS does a good job of serving the business community's training and education needs. In contrast, only 3 percent strongly disagree (2 percent) or disagree (<1 percent). The remaining quarter (25 percent) indicate a neutral opinion in this area.
- Two-thirds (65 percent) of tax district residents strongly agree (10 percent) or agree (55 percent) that HCCS works effectively with

the business community. In contrast, only 5 percent strongly disagrees (4 percent) or disagrees (1 percent). The remaining third (30 percent) express a neutral opinion on this item.

Two Thirds Agree HCCS Does A Good Job of Serving Business Community Needs

Category	Value
Serves Business Community Well	72.1
Works Effectively With Business Community	64.7
Responds to Changes in Economy/ Business Needs	59.3
Attracts New Companies and Jobs	58.3

■ Strongly Agree ▢ Agree
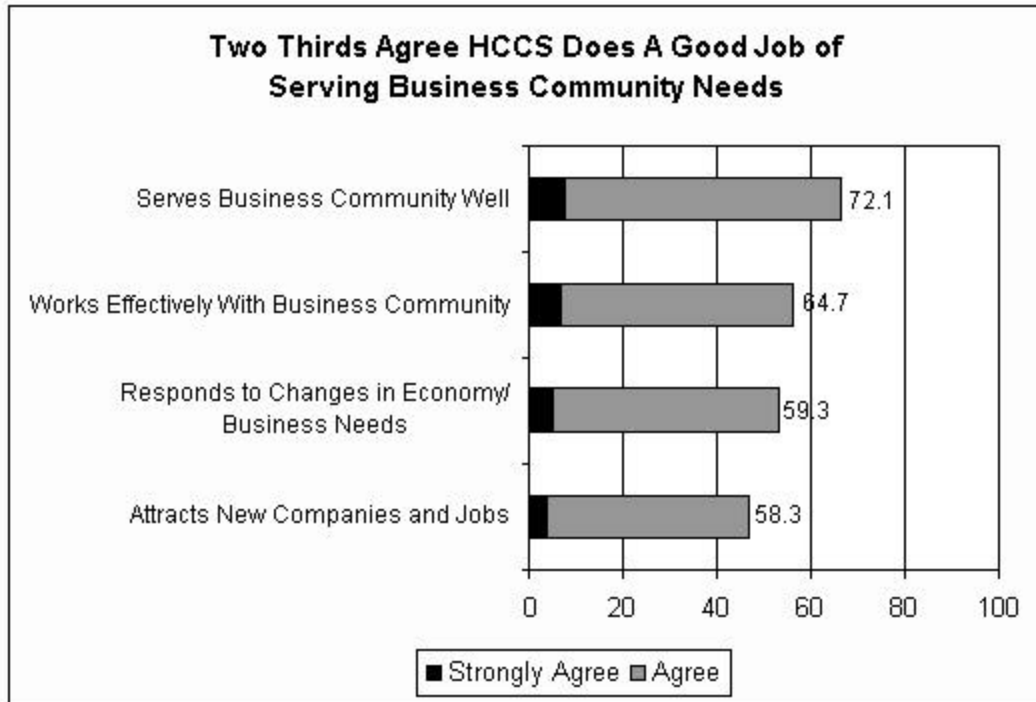
- Fifty-nine percent of survey respondents strongly agree (8 percent) or agree (51 percent) that HCCS responds to changes in the economy or the business community's needs. This is nearly 12 times the percentage (5 percent) who strongly disagree (1 percent) or disagree (4 percent) that HCCS is responsive to change. The remaining 36 percent of respondents indicate neutral opinions on this item.
- Fifty-eight percent of respondents strongly agree (10 percent) or agree (48 percent) that HCCS programs help attract new companies and jobs to the Houston area. This is nearly four times the percentage (8 percent) who strongly disagree (1 percent) or disagree (7 percent) with this statement. The remaining third (34 percent) express neutral views on this item.

Appendix A
TELEPHONE SURVEY RESULTS

Telephone Survey Results - Part 2

Responsiveness to Business Community Perceptions and Enrollment in HCCS

Respondents whose households include a member who has attended HCCS classes also expressed significantly to moderately more positive views of HCCS's responsiveness to the business community than their counterparts whose households do not include anyone who has attended:

- Eight in 10 (80 percent) respondents whose households include someone who has attended HCCS strongly agree or agree the institution does a good job of serving the business community's training and education needs as compared to two-thirds (65 percent) percent of those whose households do not.

Serves Business Well by HCCS Enrollment		
	Attended	**Not Attended**
Strongly Agree	17.2%	7.4%
Agree	63.1%	57.4%
No Opinion	17.2%	32.4%
Disagree	2.3%	2.6%
Strongly Disagree	0.3%	0.3%

- Nearly three-quarters (73 percent) of respondents whose households include someone who has attended HCCS strongly agree or agree that HCCS works effectively with the business community as compared to less than six in 10 or half (57 percent) of those whose households do not.

Works Effectively With Business By HCCS Enrollment		
	Attended	**Not Attended**
Strongly Agree	15.4%	5.4%
Agree	58.0%	51.4%

No Opinion	22.2%	38.1%
Disagree	3.4%	4.8%
Strongly Disagree	1.0%	0.3%

- Two-thirds (67 percent) of respondents whose households include a member who has attended HCCS strongly agree or agree that HCCS responds to changes in the economy or the business community's needs as compared to half (53 percent) of respondents whose households do not.

Responds to Change by HCCS Enrollment		
	Attended	Not Attended
Strongly Agree	11.7%	4.5%
Agree	55.0%	48.3%
No Opinion	28.9%	42.6%
Disagree	4.1%	3.9%
Strongly Disagree	0.3%	0.6%

- Over six in 10 (63 percent) respondents whose households include a member who has attended classes strongly agree or agree that HCCS programs and services help attract new companies and jobs to Houston as compared to 55 percent of respondents whose households do not.

Helps Attract Jobs by HCCS Enrollment		
	Attended	Not Attended
Strongly Agree	13.2%	7.3%
Agree	49.5%	47.4%
No Opinion	28.6%	38.6%
Disagree	8.0%	5.3%
Strongly Disagree	0.7%	1.5%

Responsiveness to Business Community Perceptions and Race/Ethnicity

Substantial differences were observed in perceptions of HCCS's responsiveness to the business community, with African American and

Hispanic respondents consistently expressing more positive views than their White, Non-Hispanic counterparts:

- African Americans (79 percent) and Hispanics (79 percent) are substantially more likely to strongly agree or agree that HCCS does a good job of serving the business community's training and education needs than their White, Non-Hispanic counterparts (63 percent).

Serves Business Community Well by Race/Ethnicity			
	White, Non-Hispanic	African American	Hispanic
Strongly Agree	9.5%	15.8%	11.1%
Agree	53.2%	63.2%	67.8%
No Opinion	32.0%	19.3%	20.1%
Disagree	4.8%	1.2%	1.0%
Strongly Disagree	0.4%	0.6%	---

- Similarly, African American (72 percent) and Hispanic (71 percent) respondents are substantially more likely than White, Non-Hispanics (54 percent) to strongly agree or agree that HCCS works effectively with the business community.

Works Effectively with Business by Race/Ethnicity			
	White, Non-Hispanic	African American	Hispanic
Strongly Agree	8.4%	16.0%	6.4%
Agree	45.8%	55.6%	64.9%
No Opinion	41.9%	24.3%	21.8%
Disagree	3.5%	4.1%	5.9%
Strongly Disagree	0.4%	---	1.1%

- African Americans (65 percent) and Hispanics (68 percent) are also substantially more likely to strongly agree or agree that HCCS responds to changes in the economy or the business community's needs than their White, Non-Hispanic counterparts (49 percent).

Responds to Change by Race/Ethnicity

	White, Non-Hispanic	African American	Hispanic
Strongly Agree	5.9%	10.8%	7.7%
Agree	42.8%	54.2%	59.8%
No Opinion	47.7%	28.9%	27.8%
Disagree	2.7%	6.0%	4.1%
Strongly Disagree	0.9%	---	0.5%

- Differences across racial and ethnic groups are most pronounced in perceptions of the role HCCS programs play in attracting new companies and jobs to the Houston area. Seven in 10 (71 percent) Hispanics strongly agree or agree that HCCS programs help attract new companies and jobs to the Houston area as compared to six in 10 (58 percent) African Americans and half (48 percent) of White, Non-Hispanics.

Attracts New Jobs by Race/Ethnicity			
	White, Non-Hispanic	African-American	Hispanic
Strongly Agree	7.8%	14.0%	9.5%
Agree	39.8%	43.9%	61.6%
No Opinion	42.0%	35.4%	24.2%
Disagree	7.8%	6.1%	4.7%
Strongly Disagree	2.6%	0.6%	---

Responsiveness To Community

Some of the highest levels of agreement with positive statements about HCCS were found on items measuring perceived responsiveness to community needs:

- Over eight in 10 (83 percent) tax district residents strongly agree (19 percent) or agree (64 percent) that HCCS offers classes at times and places that are convenient and easy to access. In contrast, only one in 25 respondents (4 percent) strongly disagrees (1 percent) or disagrees (3 percent) that HCCS schedules and locations are responsive to the needs of the community.
- Three-quarters (74 percent) of survey respondents strongly agree (18 percent) or agree (56 percent) that HCCS is sensitive to the

needs of different racial and ethnic groups in the community. In contrast, only 5 percent of respondents strongly disagree (1 percent) or disagree (4 percent) that HCCS is sensitive to the needs of diverse communities.
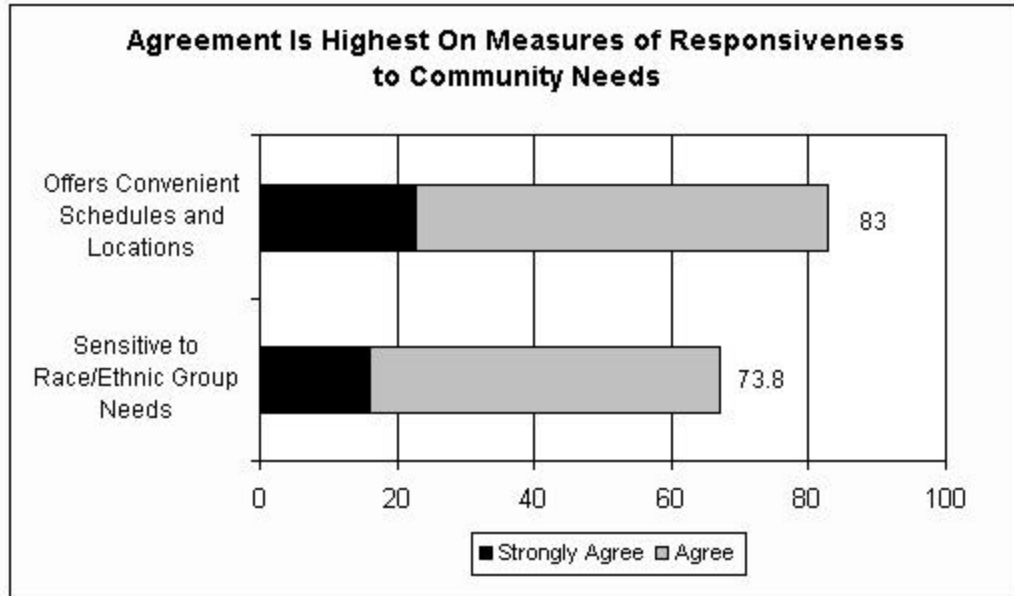
Agreement Is Highest On Measures of Responsiveness to Community Needs

Responsiveness to Community Perceptions and Enrollment in HCCS

Respondents whose households include a member who has attended HCCS classes also express significantly more positive views of HCCS responsiveness to the community than those whose households do not include a member who has attended HCCS:

- Nine in 10 (92 percent) respondents whose households include a member who has attended HCCS classes strongly agree or agree that HCCS offers classes at places and times that are convenient and easy to access as compared to three-quarters (76 percent) of those whose households do not.

Convenient by HCCS Enrollment		
	Attended	Not Attended
Strongly Agree	27.8%	11.7%
Agree	63.7%	64.1%
No Opinion	5.0%	19.8%
Disagree	3.2%	3.6%
Strongly Disagree	0.3%	0.8%

- More than eight in 10 (85 percent) respondents whose households include someone who has attended HCCS classes strongly agree or agree that HCCS is sensitive to the needs of different racial and ethnic groups in the community as compared to two-thirds (64 percent) of those whose households do not.

Sensitive to Different Groups by HCCS Enrollment		
	Attended	**Not Attended**
Strongly Agree	24.6%	11.9%
Agree	60.2%	52.0%
No Opinion	11.7%	32.3%
Disagree	3.2%	3.8%
Strongly Disagree	0.3%	---

Responsiveness to Community Perceptions and Race/Ethnicity

Levels of agreement with positive statements regarding HCCS's perceived responsiveness to the needs of the community are both high and relatively consistent across all three major racial and ethnic groups:

- Percentages of respondents who strongly agree or agree that HCCS offers classes at times and places that are convenient and easy to access are uniformly high across White, Non-Hispanics (82 percent), African Americans (86 percent) and Hispanics (84 percent).

HCCS Offers Convenience by Race/Ethnicity			
	White, Non-Hispanic	**African-American**	**Hispanic**
Strongly Agree	21.8%	21.5%	14.0%
Agree	59.7%	64.4%	69.5%
No Opinion	14.5%	11.3%	12.5%
Disagree	3.2%	2.3%	4.0%
Strongly Disagree	0.8%	0.6%	---

- Although agreement is high across all three major racial and ethnic groups, African Americans (77 percent) and Hispanics (76 percent) are somewhat more likely than White, Non-Hispanics (70 percent)

to strongly agree or agree that HCCS is sensitive to the needs of different racial and ethnic groups.

Sensitive to Different Group by Race/Ethnicity			
	White, Non-Hispanic	African-American	Hispanic
Strongly Agree	16.3%	22.1%	16.2%
Agree	54.0%	54.7%	59.9%
No Opinion	27.6%	17.4%	19.8%
Disagree	1.7%	5.8%	4.1%
Strongly Disagree	0.4%	---	---

Willingness To Enroll

Positive perceptions of HCCS extend to a high degree of willingness to consider enrolling in classes offered by the institution:

- Two-thirds (66 percent) of respondents strongly agree (16 percent) or agree (50 percent) they would consider enrolling in classes at HCCS. This is more than twice the percentage (25 percent) who disagree strongly (4 percent) or disagree (21 percent) they would consider enrolling at HCCS.
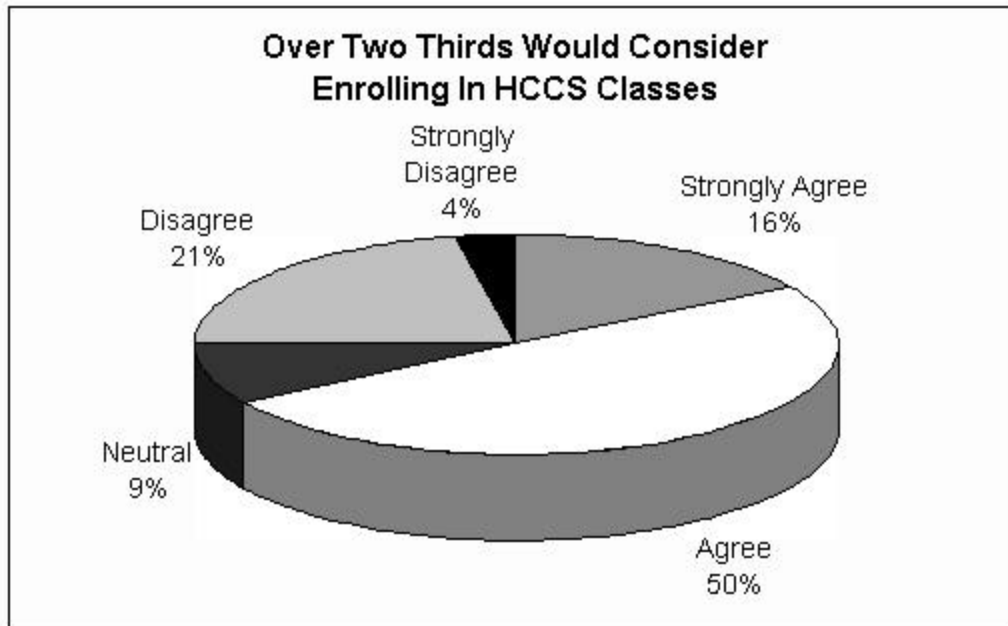
Over Two Thirds Would Consider Enrolling In HCCS Classes

Strongly Disagree 4%
Strongly Agree 16%
Disagree 21%
Neutral 9%
Agree 50%

- More than three-quarters (77 percent) of respondents whose households include a member who has attended HCCS classes strongly agree (24 percent) or agree (53 percent) they would consider enrolling at classes in HCCS. This is significantly higher than the percentage (58 percent) of those whose households do not include someone who has attended HCCS classes who strongly agree (10 percent) or agree (48 percent).

Willingness to Enroll and Enrollment Status

Respondents whose households include a member who has attended HCCS are significantly more likely (77 percent) to strongly agree or agree they would be willing to consider enrolling in classes offered by the institution than those whose households do not (58 percent).

Willingness to Enroll by HCCS Enrollment		
	Attended	**Not Attended**
Strongly Agree	23.8%	9.5%
Agree	53.3%	48.3%
No Opinion	4.5%	12.3%
Disagree	16.9%	24.7%
Strongly Disagree	1.5%	5.1%

Willingness to Enroll and Race/Ethnicity

Consistent with the more positive perceptions of HCCS they express in several areas, both African Americans (75 percent) and Hispanics (73 percent) are substantially more likely than White, Non-Hispanics (55 percent) to strongly agree or agree they would consider enrolling in classes at HCCS.

Willingness to Enroll by Race/Ethnicity			
	White, Non-Hispanic	**African-American**	**Hispanic**
Strongly Agree	10.8%	23.0%	16.7%
Agree	44.4%	51.7%	56.6%
No Opinion	8.6%	7.3%	11.0%

Disagree	30.2%	16.3%	14.9%
Strongly Disagree	6.0%	1.7%	0.9%

Demographic Characteristics

Sections which follow provide a demographic profile of the adult population residing in the HCCS tax district.

Race/Ethnic Composition

White Non-Hispanics comprise (37 percent) of the adult population of the HCCS tax district. At 31 percent, Hispanics comprise the second largest population segment. African Americans (25 percent), individuals of international origin (3 percent), American Indians or Alaska Natives (1 percent), and Asians or Pacific Islanders (2 percent) make up the remainder of the adult population.

Race/Ethnic Composition	
Group	**Percent**
White Non-Hispanic	37.1%
Black or African American	24.8%
Hispanic	31.7%
Asian/Pacific Islander	2.4%
American Indian/Alaska Native	.7%
International	3.4%

Household Income

One-third (33 percent) of respondents interviewed for the HCCS Community Input Survey report have annual household incomes of $50,000 or more. An equal percentage (32 percent) report annual household incomes of less than $25,000.

Annual Household Income	
Income	**Percent**
Less than $5,000	6.4%

$5,000 - $14,999	9.7%
$15,000 - $24,999	15.8%
$25,000 - $34,999	18.0%
$35,000 - $49,999	17.6%
$50,000 - $74,999	13.5%
$75,000 or More	19.1%

Education

More than one-third (37 percent) of adult residents of the HCCS taxing district have a college education or above. With the additional quarter (25 percent) who have at least some college, nearly two-thirds (63 percent) have at least some college experience. Nearly two in 10 (18 percent) have less than a high school education.

Educational Attainment	
Educational Level	**Percent**
Less than High School	18.2%
High School Graduate	19.7%
Some College	25.4%
College Graduate	19.1%
Higher than College Degree	17.5%

Age Distribution

Adults between the ages of 35 and 49 make up the largest segment of the population, accounting for 28 percent of respondents. Adults between the ages of 25 and 34 (21 percent), and 50 to 64 year olds (20 percent) each account for approximately two in 10 respondents. The remaining three in 10 (30 percent) are either age 65 or older (17 percent), or between the ages of 18 and 24 (14 percent).

Respondent Age Distribution

Age	Percent
18-24	13.5
25-35	21.3
35-49	28.3
50-64	20.1
65+	16.7
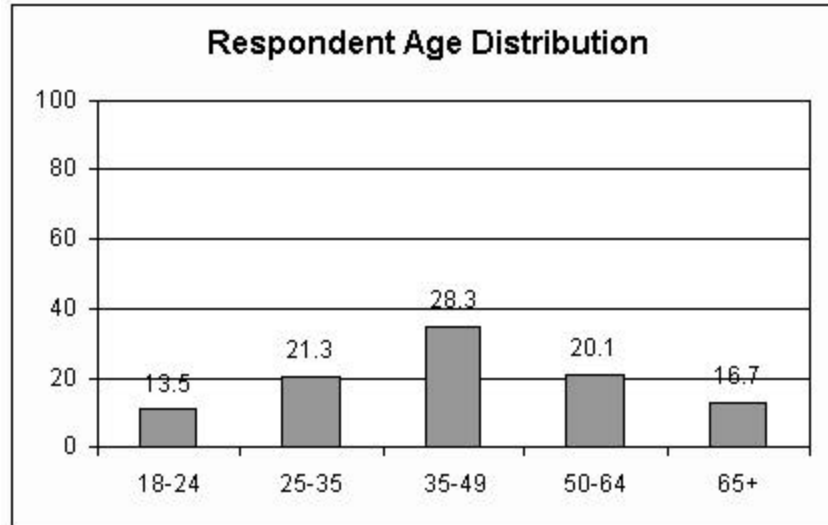
Additional Demographic Characteristics

Other demographic characteristics of 2002 Houston Community College System Public Input Survey respondents include:

- Six in 10 (60 percent) survey respondents report they have access to a computer at home. More than half (53 percent) said they have access to the Internet at home.
- More than half (53 percent) of respondents live in households with two or fewer persons. The average household size is 2.78 persons.
- Six in 10 (60 percent) respondents are employed either full-time (50 percent) or part-time (10 percent).
- Six in 10 (59 percent) respondents own the house they currently occupy.
- Nearly two-thirds (65 percent) of respondents have lived in the HCCS tax district for 10 or more years.

Appendix B
FACULTY, STAFF AND ADMINISTRATOR SURVEY RESULTS

Demographic Data/Survey Results

n=158
*Totals may not add to 100 percent due to rounding
Demographic Data

1.	Gender (optional)	Male	Female	No Answer
		40.5%	51.3%	8.2%

2.	Ethnicity (optional)	Anglo	African American	Hispanic	Asian	Other	No Answer
		48.1%	23.4%	8.2%	5.1%	1.9%	13.3%

3.	Age Range	Under 30	30-39	40-49	50-59	60-64	65+	No Answer
		11.4%	10.8%	25.3%	24.7%	8.2%	8.9%	10.8%

4.	How long have you been employed by HCCS?					
	1st Year	2-5 Years	6-10 Years	11-20 Years	21+ Years	No Answer
	17.1%	28.5%	15.2%	26.6%	12.0%	0.6%

5.	Primary Job Responsibility					
	Adjunct Faculty (Part-time)	Full-Time Faculty	Classified Staff	Professional/ Technical Staff	Administrator	No Answer
	27.2%	39.2%	11.4%	13.9%	5.7%	2.5%

6.	At which college are you based?						
	3100 Main	Central	Northeast	Northwest	Southeast	Southwest	No Answer
	17.1%	13.9%	18.4%	10.8%	22.8%	15.2%	1.9%

Definitions of Columns: SD = Strongly Disagree; D = Disagree; N = Neutral; A = Agree; SA = Strongly Agree; DK = Don't Know

A. Work Environment

STATEMENT	SD	D	N	A	SA	DK	NA
HCCS is an exciting and challenging place to work.	2.5%	10.8%	12.7%	48.7%	25.3%	0.0%	0.0%
A majority of students at HCCS are motivated and interested in learning.	4.4%	5.1%	12.7%	54.4%	19.6%	3.8%	0.0%
The faculty, staff and administration have standards and expectations that are equal to or above those of most other community colleges.	1.9%	12.0%	10.8%	43.7%	22.8%	8.9%	0.0%
HCCS officials enforce high academic work standards.	5.7%	12.0%	13.3%	48.7%	17.1%	2.5%	0.6%
HCCS faculty enforces high student class attendance and learning standards.	2.5%	8.9%	12.0%	47.5%	25.9%	2.5%	0.6%
HCCS faculty and staff have excellent working relationships.	5.7%	13.9%	19.0%	37.3%	20.3%	3.8%	0.0%
Faculty who do not meet expected work standards receive evaluations that reflect such performance.	12.0%	12.7%	9.5%	27.8%	5.1%	31.6%	1.3%
Staff who do not meet expected work standards receive evaluations that reflect such performance.	13.3%	12.7%	12.7%	27.8%	5.7%	25.9%	1.9%
Employees (faculty and/or staff) in my immediate area are productive.	5.1%	3.8%	9.5%	46.8%	31.0%	1.9%	1.9%
Faculty promotions and pay increases are based upon individual productivity.	23.4%	23.4%	15.2%	7.6%	1.9%	25.3%	3.2%
Staff promotions and pay increases are based upon individual productivity.	25.9%	19.0%	15.8%	8.9%	0.6%	27.2%	2.5%

STATEMENT							
I have the authority to perform my job responsibilities.	2.5%	8.2%	7.0%	44.9%	34.8%	0.0%	2.5%
I have adequate facilities in which to conduct my work.	10.1%	13.9%	8.9%	41.8%	22.8%	0.6%	1.9%
I receive training to improve my work.	3.8%	20.3%	12.7%	43.7%	16.5%	1.3%	1.9%
Workloads are equitably distributed among faculty.	8.9%	15.2%	11.4%	22.8%	11.4%	25.9%	4.4%
Workloads are equitably distributed among staff members.	12.7%	17.7%	14.6%	24.7%	6.3%	20.9%	3.2%
HCCS cares about the quality of work that I perform.	7.6%	7.0%	13.3%	43.7%	22.8%	2.5%	3.2%
HCCS officials enforce high work standards resulting in high quality work.	7.6%	17.1%	20.3%	36.1%	11.4%	4.4%	3.2%
My immediate supervisor is a good manager.	11.4%	7.0%	9.5%	27.2%	41.1%	1.9%	1.9%
Faculty observes posted office hours.	7.0%	8.2%	7.0%	30.4%	23.4%	20.9%	3.2%
Staff observes posted office hours.	3.8%	8.9%	12.0%	33.5%	22.2%	17.7%	1.9%
Faculty has a say in matters regarding institutional direction.	10.8%	10.8%	15.8%	25.9%	10.8%	24.1%	1.9%
Staff has a say in matters regarding institutional direction.	10.1%	13.9%	24.1%	20.9%	5.7%	23.4%	1.9%

B. Job Satisfaction

STATEMENT	SD	D	N	A	SA	DK	NA
I am very satisfied with my job at HCCS.	5.1%	8.9%	12.0%	39.9%	31.6%	0.0%	2.5%
I plan to make a career at	5.1%	7.6%	23.4%	28.5%	30.4%	2.5%	2.5%

HCCS.							
I am not actively looking for a job outside of HCCS.	8.9%	8.2%	11.4%	38.6%	30.4%	0.0%	2.5%
Salary levels at HCCS are competitive for full-time faculty.	17.1%	10.1%	10.1%	17.1%	7.6%	36.1%	1.9%
Salary levels at HCCS are competitive for adjunct (part-time) faculty.	22.2%	15.8%	10.8%	17.7%	4.4%	27.2%	1.9%
Salary levels at HCCS are competitive for classified staff.	13.9%	9.5%	20.3%	17.1%	5.1%	32.9%	1.3%
Salary levels at HCCS are competitive for professional/technical staff.	12.0%	8.9%	19.0%	17.1%	5.7%	36.1%	1.3%
Salary levels at HCCS are competitive for administrators.	5.1%	0.6%	17.1%	22.8%	15.2%	38.0%	1.3%
My work is appreciated by my supervisor(s).	7.6%	7.0%	7.0%	42.4%	33.5%	1.3%	1.3%
I am an integral part of the HCCS team.	4.4%	8.9%	15.2%	42.4%	24.1%	3.2%	1.9%
I respect my immediate supervisor.	7.6%	5.7%	7.0%	32.9%	44.3%	0.6%	1.9%
HCCS provides opportunities for career advancement.	10.8%	16.5%	23.4%	27.2%	13.3%	6.3%	2.5%
HCCS provides opportunities for professional development.	5.1%	5.7%	20.9%	42.4%	18.4%	5.1%	2.5%
There is a future for me at HCCS.	8.2%	4.4%	24.7%	31.0%	22.8%	5.7%	3.2%
My salary level is fair for my level of work and experience.	21.5%	25.9%	13.3%	25.3%	9.5%	1.9%	2.5%

C. Board Governance and Administrative Structure and Practices

STATEMENT	SD	D	N	A	SA	DK	NA
Most administrative practices at HCCS are efficient.	13.9%	18.4%	15.8%	34.8%	5.7%	9.5%	1.9%
Most administrative practices at HCCS are effective.	13.9%	18.4%	17.1%	32.3%	7.0%	8.9%	2.5%
Administrative decisions are made quickly and decisively.	12.7%	33.5%	17.7%	19.0%	3.2%	12.0%	1.9%
HCCS administrators are accessible and open to input.	13.9%	17.7%	22.2%	33.5%	5.1%	5.7%	1.9%
Authority for administrative decisions is appropriately delegated.	10.1%	17.7%	25.3%	20.9%	4.4%	20.3%	1.3%
Faculty and staff are empowered with sufficient authority to effectively perform their responsibilities.	7.6%	15.8%	19.6%	40.5%	10.1%	3.8%	2.5%
Administrative processes are streamlined to avoid unnecessary time delays.	22.2%	27.8%	15.8%	14.6%	3.2%	14.6%	1.9%
HCCS has the appropriate number of committees to allow faculty and staff to participate in institutional decision-making.	3.8%	12.7%	24.7%	24.7%	8.2%	23.4%	2.5%
HCCS has the appropriate number of full-time faculty.	10.8%	24.1%	14.6%	22.2%	3.2%	24.1%	1.3%
HCCS has the appropriate number of adjunct (part-time) faculty.	7.0%	15.2%	15.8%	31.6%	5.7%	23.4%	1.3%
HCCS has the appropriate number of classified staff.	5.7%	13.9%	20.9%	20.3%	3.2%	34.8%	1.3%
HCCS has the appropriate number of	7.6%	12.7%	22.8%	19.6%	3.2%	32.9%	1.3%

professional/technical staff.							
HCCS has the appropriate number of administrators.	10.8%	8.9%	19.0%	20.9%	13.3%	25.3%	1.9%
HCCS has the appropriate number of programs.	3.8%	5.7%	22.2%	40.5%	10.1%	16.5%	1.3%
HCCS has the appropriate number of campuses and centers.	5.1%	7.0%	12.0%	46.8%	15.2%	10.1%	3.8%
HCCS has the appropriate number of instructional units or departments.	1.9%	5.7%	13.3%	46.8%	11.4%	18.4%	2.5%
Most administrative processes (e.g., purchasing, travel requests, leave applications, personnel, etc.) are efficient.	18.4%	18.4%	12.0%	29.1%	4.4%	16.5%	1.3%
Access to HCCS administrators has improved during the last several years.	10.8%	13.9%	24.1%	24.1%	6.3%	19.6%	1.3%
The Board of Trustees is effective in carrying out its governance responsibilities for HCCS.	23.4%	9.5%	15.2%	24.1%	2.5%	24.1%	1.3%
The Board of Trustees allows the administration to manage the affairs of HCCS.	13.9%	12.7%	15.8%	22.8%	1.9%	31.6%	1.3%
The chancellor is an effective academic leader.	6.3%	6.3%	19.6%	32.3%	13.3%	20.3%	1.9%
The college president is an effective academic leader.	11.4%	9.5%	15.2%	32.3%	14.6%	15.2%	1.9%
The chancellor is an effective administrative leader	5.1%	8.2%	17.7%	34.2%	13.3%	19.6%	1.9%
The college president is an effective administrative leader.	13.3%	8.9%	15.2%	29.1%	12.7%	19.0%	1.9%

D. College Operations and Student Services

College Function	Needs Major Improvement	Needs Some Improvement	Adequate	Outstanding	Don't Know	NA
Instructional transfer programs	6.3%	13.9%	32.9%	7.0%	35.4%	4.4%
Instructional workforce programs	10.1%	13.3%	32.3%	15.8%	24.7%	3.8%
Academic counseling and advising	19.6%	22.8%	28.5%	6.3%	17.7%	5.1%
Student life/Student programs and activities	14.6%	17.7%	31.6%	5.1%	27.2%	3.8%
Library	7.6%	17.7%	39.9%	15.8%	15.2%	3.8%
Bookstore	14.6%	22.8%	35.4%	5.1%	17.7%	4.4%
Testing centers	6.3%	13.3%	37.3%	6.3%	32.9%	3.8%
Financial aid	16.5%	14.6%	29.1%	2.5%	33.5%	3.8%
Food service	22.2%	12.7%	11.4%	3.8%	41.8%	8.2%
Registration and records	12.7%	24.1%	27.8%	7.0%	23.4%	5.1%
Student admissions	15.2%	20.9%	31.0%	8.2%	20.9%	3.8%
Student recruiting	17.1%	19.0%	25.3%	8.9%	25.3%	4.4%
Student retention programs	12.0%	24.7%	26.6%	3.8%	29.1%	3.8%
Executive Vice President's office of Academic, Student and	8.2%	8.2%	22.2%	3.8%	50.6%	7.0%

Campus Affairs						
Business Services office	7.6%	20.3%	29.1%	3.8%	33.5%	5.7%
Human Resources Office	20.9%	17.1%	30.4%	6.3%	19.6%	5.7%
Marketing Office	10.8	13.3%	20.3%	3.2%	46.2%	6.3%
Campus Manager's office	7.6%	13.3%	28.5%	7.6%	37.3%	5.7%
Instructional computing	6.3%	13.3%	34.2%	12.7%	27.8%	5.7%
Administrative computing	5.1%	12.7%	30.4%	8.2%	37.3%	6.3%
Public relations	18.4%	17.7%	28.5%	3.2%	27.8%	4.4%
Campus police	5.7%	19.0%	44.3%	16.5%	8.9%	5.7%
Parking	24.7%	21.5%	39.2%	6.3%	4.4%	3.8%
Building maintenance	15.8%	19.6%	41.8%	12.7%	5.7%	4.4%
Custodial services	13.9%	16.5%	45.6%	12.7%	7.0%	4.4%
Grounds keeping	8.2%	13.9%	51.9%	13.3%	8.2%	4.4%

E. Purchasing and Procurement Services

STATEMENT	SD	D	N	A	SA	DK	NA
Goods and services I request are usually ordered within two to four working days of the request.	19.0%	21.5%	12.7%	21.5%	10.1%	13.3%	1.9%
Goods or services I request are generally received within five to 14 working days.	18.4%	18.4%	11.4%	29.1%	6.3%	13.3%	3.2%

STATEMENT							
Materials, equipment, supplies and services are generally received in good quality.	1.9%	3.2%	10.8%	55.7%	16.5%	9.5%	2.5%
The Purchasing Department provides support and guidance for making purchases to my department.	12.0%	13.3%	14.6%	27.8%	5.7%	24.1%	2.5%
The Purchasing Department has helpful and knowledgeable staff.	10.8%	8.2%	16.5%	24.1%	5.1%	31.6%	3.8%
I can easily find out the status of my requisition or purchase order and expected delivery date.	9.5%	13.3%	20.3%	23.4%	4.4%	26.6%	2.5%
I am able to get materials and supplies quickly when I have an emergency	11.4%	19.6%	15.8%	20.9%	7.6%	22.2%	2.5%
Procedures are in place to inform Accounts Payable that goods or services have been received when they are delivered directly to my work site or office.	7.0%	7.0%	15.2%	25.9%	7.6%	34.2%	3.2%
I have the necessary computer equipment and training I need to prepare requisitions.	8.2%	12.0%	16.5%	32.3%	7.6%	20.3%	3.2%
The purchasing and procurement process is relatively easy and convenient to use.	13.3%	14.6%	16.5%	23.4%	5.1%	24.7%	2.5%
HCCS's purchasing process is effective.	15.8%	13.3%	15.8%	24.7%	3.8%	22.8%	3.8%

F. General Services

STATEMENT	SD	D	N	A	SA	DK	NA
The bookstore's hours of	5.7%	13.9%	9.5%	40.5%	7.0%	20.3%	3.2%

operation are convenient.							
Adequate books and supplies are always available in the bookstore.	12.0%	22.8%	10.8%	30.4%	5.7%	16.5%	1.9%
The bookstore allows various methods of payment for convenience.	4.4%	1.9%	8.2%	46.2%	7.6%	28.5%	3.2%
Bookstore employees are courteous and helpful.	3.8%	6.3%	18.4%	41.8%	10.1%	15.8%	3.8%
The Copy Center completes my orders in a timely manner.	1.9%	1.3%	12.7%	31.0%	17.7%	32.9%	2.5%
The Copy Center provides high quality reproduction services.	1.9%	1.3%	13.9%	30.4%	17.1%	32.3%	3.2%
The Copy Center hours of operation are convenient.	0.0%	1.9%	13.3%	33.5%	13.3%	35.4%	2.5%
The Copy Center employees are courteous and helpful.	1.9%	1.3%	13.9%	29.1%	16.5%	35.4%	1.9%
Mail is delivered on time.	3.8%	10.1%	15.2%	38.6%	13.3%	16.5%	2.5%
Campus mail service is available at convenient hours of operation.	2.5%	5.7%	17.7%	39.2%	12.0%	20.9%	1.9%
Campus mail service has the ability to process special items with large sizes, shapes and weight in a timely manner.	3.2%	6.3%	13.9%	31.0%	9.5%	34.2%	1.9%
Campus mail service employees are courteous and helpful.	1.3%	2.5%	13.3%	35.4%	14.6%	31.0%	1.9%

G. Personnel Management

STATEMENT	SD	D	N	A	SA	DK	NA
HCCS is able to recruit qualified employees.	7.0%	9.5%	15.2%	46.8%	8.2%	9.5%	3.8%

STATEMENT							
HCCS is able to retain qualified employees.	12.0%	18.4%	13.9%	37.3%	4.4%	10.8%	3.2%
Staff and administration compensation is fair for this market.	12.7%	17.1%	19.6%	25.9%	2.5%	19.0%	3.2%
Staff and administration benefits are good.	3.8%	6.3%	13.9%	42.4%	10.8%	19.0%	3.2%
Staff development I have received has improved my job performance.	3.8%	13.9%	22.8%	34.8%	9.5%	10.1%	5.1%
Staff development received by faculty helps meet student needs.	3.8%	7.0%	16.5%	31.6%	10.8%	26.6%	3.8%
Technology-related staff development has helped me do my job better.	5.1%	9.5%	17.7%	41.1%	14.6%	8.2%	3.8%

H. Technology

STATEMENT	SD	D	N	A	SA	DK	NA
HCCS uses technology as a learning tool for students.	0.6%	3.2%	10.1%	57.0%	20.3%	5.7%	3.2%
HCCS has well-maintained computer labs.	2.5%	7.6%	10.8%	42.4%	25.3%	8.2%	3.2%
HCCS provides computers with Internet access to faculty and staff.	2.5%	4.4%	4.4%	48.7%	32.9%	3.8%	3.2%
HCCS computer services center provides prompt and efficient technical service.	6.3%	8.9%	12.0%	36.7%	21.5%	12.0%	2.5%
HCCS effectively uses e-mail for its faculty and staff.	3.8%	6.3%	6.3%	44.3%	30.4%	6.3%	2.5%
HCCS uses technology to facilitate distance learning.	1.9%	1.9%	8.9%	46.8%	21.5%	17.7%	1.3%
HCCS's Intranet provides me with access to relevant information about programs and services.	2.5%	3.8%	8.9%	49.4%	20.9%	13.9%	0.6%

HCCS is committed to using technology to improve college administration	1.3%	4.4%	10.1%	41.1%	24.1%	17.7%	1.3%
I have received adequate training to use software applications on my computer.	7.0%	12.7%	19.6%	32.9%	21.5%	3.8%	2.5%

Appendix B
FACULTY, STAFF AND ADMINISTRATOR SURVEY RESULTS

Comments - Part 1

The following comments convey the faculty, staff and administrator's perception of HCCS and do not reflect the findings or opinion of the Comptroller or the review team.

WORK ENVIRONMENT

- Faculty and staff should be given better leadership, for example, better direction from administrators. There doesn't seem to be a unified statement of purpose or anyone to give that message.
- Need training and updates on new procedures, review of procedures after an intersession, more pay based on the level of education (for staff) as is for the faculty and librarians.
- People need to be held accountable; what good are policies if they are not followed! And for some reason, there are always loop holes on how to get around!
- Nothing!
- More communication between the faculty. Although we're considered a "group", it doesn't always feel like it, especially between morning and evening faculty.
- Quality management
- Central college must have new facilities. The work conditions in the classroom are unacceptable. There is mold, furniture that students can' fit behind, we never know if there will be heat or air-conditioning, bathrooms that don't work. I can't imagine why students continue to attend this campus.
- Better communication on the campus level.
- Health careers faculty should receive pay in a timely fashion.
- Almost any change in staff faculty would be an improvement.
- Those who are equipped via experience to lead others should be given freedom to do so. The dean of Health Sciences is a visionary and yet is not allowed to fully lead due to the Southeast college's incompetent leadership.
- Less administration, more faculty.
- Monies allocated to programs for equipment.
- Better advertisement.
- Attitude reflecting new vision.
- Work that is equitably distributed among the staff members.
- Renovate facilities at Central.
- New science/math facilities.

- Cafeteria for faculty/staff/students.
- Freedom to do jobs without incompetent managers. Counseling chair at Southeast is a very poor leader.
- I think it is basically as it should be. There is always room for improvement.
- Staff promotions and pay increases based on individual productivity.
- Equity, reward for productive performance, over-all raises should not be denied to certain employees when state has announced raises for every state employee.
- More equipment, more work space, and better coordination among departments and levels of the institution.
- More open lab hours for students in technology classes for Web development.
- Decent work space - we have managers in closets without appropriate space to conduct operation of their function.
- So far it seems to be all good!
- Remove non-producers of quality students.
- More computer usage.
- In-service training on upgrading instructional technology.
- In-service on subject specific areas.
- More teamwork.
- I would like to have air conditioning that is cool instead of wet. I would like the school and especially my room to remove mold and mildew, asbestos and filth.
- Nepotism at the workplace!
- More attention to the quality of the faculty work.
- Faculty who get releases from class to do alternative work for the college should be monitored more closely for actual work performed.
- Fewer administrative or clerical duties put upon faculty.
- The director of the Crawford childcare facility should work in another area. She doesn't know her job. This is why she always has to hire over and over. Four hours cannot pay any bills. She has only teachers working full time.
- Pay and bonus pay for people who do the work! Termination of people who don't do the work. The rumor is you can't get fired from HCCS. If you terminate those who aren't working you'll have more money to pay those who are working.
- Strive for better relationships between staff.
- I believe more resources must be dedicated to instruction. The system does not adequately fund all aspects of classroom instruction (i.e. supplies, equipment, desktop/laptop computers, LCD projectors, etc.). Not enough full-time faculty have been hired to dedicate to busy instructional programs. If the most important aspect of our mission is the education of our students,

we must do better at ensuring this student/teacher relationship is bolstered. If there are no students for teachers to teach, everyone in the system loses.

- Better standardization of resources across colleges - technical assistants; lab aids at each college for each program, training workshops held at all locations, etc.
- Better work areas for all faculty, staff and administrative employees (i.e. to have an office or designated workplace with available computer resources).
- Lunchroom, teacher workrooms at each location not just for college area employees.
- I have been dumped for classes by permanent faculty and have substituted for others. The permanent faculty for which I substituted was not following the curriculum for ITSC 1301 and ITSC 1309. Also, I met a permanent faculty math instructor who was from Nigeria. His English was so hard to follow that I do not know how students understand him.
- I would like my own workspace.
- Provide an adequate lounge for faculty.
- More teamwork.
- I would like to see or have more security around the campuses.
- The faculty is the front line personnel and recognizes the needs of the most important factor of the college's mission yet they have no voice in their pleas for meeting the needs of the students.
- Some of the staff should help correct mistakes that they have made. Every department should conduct a nice, friendly attitude regarding any circumstances towards students.
- Less competition among colleges. Less system versus college.
- At the present time the work environment is excellent. I enjoy my job, the students and the faculty, staff and administrators at my college.
- Faculty should be held accountable for continuous bad evaluation from students. The same instructors who have received bad evaluations for years have been allowed to return to the classroom.
- More on-the-job training.
- There is no fairness in getting equipment and budget money for campuses that carry the student load, but the hub college used funds for their pet projects, hid 600 PCs, and made the SW College look unprofessional. We do the work and SE's Virtual Programs led by the upper management abscond with the needed funds for equipment and payment for professional development and trips.
- A majority of students know that HCCS is an easy place to get a B or A. High academic standards are not enforced. Administrators think their enrollment numbers are more important than honest grades. The expected work standards for faculty are a high pass rate and no real challenge. There are no faculty promotions.

Original thinking by faculty and staff is discouraged. My supervisors lack common sense and imagination.

- I already made a career at HCCS, but if I had to do it over again I wouldn't work here. Salary levels are not competitive for faculty. College needs to attempt to have more PhDs. It could, but it doesn't want to because it doesn't want to pay more money and doesn't want faculty with independent minds. Administrators should come from the ranks of the faculty. If they get terminated as administrators most don't have the credentials to teach. They are a sorry group.
- Salaries of some employees and staff are not commensurate with job duties, skills and performance. Salary structure of some positions needs to be reviewed. For example, how can a position of Technical Support analyst make $40,000 a year when duties and responsibility are to take phone calls while the Hardware/Software technician position that actually diagnoses and fixes the problem makes $29,000 a year. How can employees without any skills get a job as Technical Support analysts at the IT department? The management at the IT Department is aware but cannot take action to correct the situation.
- HCCS needs clear signs for garage occupants, posted signs, wrong directions and memos sent to all departments on policies regarding speeds in garages.
- Up to date computer equipment, adequate supplies.
- Room 174 (faculty offices) at West Loop needs a computer. I've requested one for two years to no avail.
- Need two big copiers upstairs at West Loop for faculty.
- Need two big copiers in the basement at 3100 Main in the faculty workroom. Adult Education monopolizes it.
- Meaningful faculty input before administrative decisions are made. Please stop the façade of faculty input after the decision process has already taken place. Faculty governance of the institution should be a priority. Use faculty as a resource rather than wasting millions on consultants!
- Raises based on performance, not across the board raises. Faculty salaries should be increased to be more competitive and no full-time faculty should be hired to develop the programs and increase retention of students.
- The buildings at Central College are unsafe and unhealthy. Money exists to build a new facility, but the Board of Regents cannot seem to lead and proceed forward. When it means, however, building new facilities in their district, work proceeds post haste whether there is need for that facility or not. Frankly, I would like to see most of the board leave. An appointed board of qualified, non-egocentric people might help.
- HCCS needs fewer chiefs.

- HCCS needs less duplication of work.
- Allow budget for faculty training/upgrading outside of the college.
- Faculty get one professional trip per year paid for.
- Better communication, more understanding, less dictator-like mentalities.
- Administrators that actually have some background in the areas they oversee.
- I would like to see a closer relationship (teamwork) among faculty, staff and administrators at all of the colleges in the system.
- Cleaner facilities and equipment that works and is updated (VCR/DVDs, computers in faculty area, overheads, whiteboards).
- More copiers and computers to decrease long waits.
- Clean and comfortable faculty work area.
- Administration listening more to faculty concerns and requests (thank you for this survey).
- Entrances to buildings should be enforced as non-smoking and provide non-smoking areas away from major thoroughfares.
- HCCS supervisors should not require HCCS employees to engage in unlawful conduct.
- I would like to see a pay scale commensurate with skill and responsibility of the position.
- Training in computer applications. There is a need for a consistent funding source for staff training in computer productivity applications and proficiency with the performance evaluation process. Certainly MOS certification at the core level for support staff would provide a reorganized benchmark of required skills which will result in increased productivity and overall effectiveness.
- Develop an incentive program based on performance; current system of across the board increases compensates non-productive and productive staff equally.
- I would hope that those of us working for several years could receive some type of pay increase.

JOB SATISFACTION

- Need a salary increase.
- More staff to handle the mundane tasks. It is not cost-effective to have trained professionals doing clerical work.
- I would pay my employees based on their level of education. Presently, I hold a bachelor's degree - I make less than one of my co-workers. The others are at the same level, no degrees. This does not motivate an individual to stay or pursue a career. I work part-time and I believe this situation is the same for full-time staff. HCCS is an educational environment and should encourage all

- employees to pursue an education - increase the pay with the degree.
- HCCS has lots of employees who get paid to do nothing. Some policies apply to some employees and other policies apply to other employees!
- Have more career advancements and more pay.
- Pay for adjunct faculty is far too low, much lower than that paid by other schools in the area. I believe adjunct pay should be raised at least 50 percent.
- Individually-based salary increases based on personal evaluation.
- Improved leadership among management.
- Get the compensation issues settled! I'm sick of hearing about it. One staff member cannot make decisions and his lack of decisiveness has impacted our department. Central has a great Academic Dean who I admire. We must have better salaries for adjunct faculty in order to attract the best. Once again a new clean work environment free of health hazards and gloominess!
- Better pay!
- Sabbaticals for administrators.
- Salary and career advancement could be a lot better. There is no advancement potential for faculty. If I stay here, 10 years from now I will have the same job I now have, with comparable salary.
- My salary level meets my level of work and experience.
- Fewer administrators will save large amounts of money.
- More money allocated for technical support.
- Compensation for travel and professional development.
- Though the Buck study resulted in a salary increase for adjunct faculty, I still think it's inadequate for the time, energy and dedication my colleagues and I devote to our students.
- Incompetent managers need to be fairly evaluated and moved or terminated. Competitive salaries for classified staff.
- At present I'm comfortable with things as they are for now.
- Authority equal to responsibilities. HCCS jobs rated equal to other colleges' similar positions.
- Employees rewarded according to production - merit raises.
- Delegate authorities to match responsibilities.
- More upper-level management support of successful programs. Proper support for programs that are work force development programs. Proper ways of making good work force programs available to the business community. Equal pay for productive work force personnel who have experience, but not post graduate degrees.
- Teamwork and salary compensation that equals experience.
- More personal development by joining organizations, traveling to New York and Europe to enhance my classes.

- Office and classroom space, faculty lounge and professional development.
- The ability to move my program to serve all colleges.
- Departmental chairs should have written evaluations given by faculty and forwarded to the dean.
- Much higher salary.
- Better access to top administrators for exchange of ideas on how the college could be improved.
- A 25 percent increase in salary. When I came to HCCS from an industry job through early retirement I took a 67 percent pay cut. I put up with it because of income from investments and a love of teaching.
- Removal of the elite attitude of top administration toward faculty and staff.
- More release time for professional development.
- Student-to-teacher time ratios are extreme. This does not allow adequate time to spend with students to develop psychomotor skills.
- Part time instructors are not given course syllabi to prepare for classes that are scheduled.
- Parking at the Galen campus is not appropriate for faculty.
- I had to quit because there weren't enough hours. I was not able to pay the bills for my seven-year-old daughter and other bills. My experience with one staff member was a trauma. Everything I did she had a problem but with every other teacher there was no problem. If I help the children she had a problem every time I made an example. We made birdhouses and the houses were helpful to the children. So I gave the one I made to another child when she came back to school. She said it was her money that paid for the carved wood. I know better. I did not receive my last check. This lady is very evil. I would go back if I weren't at HISD but not under her supervision, and with more hours and $9.00 an hour for experience.
- To be paid what I'm worth, and to be part of a team that cares and works together.
- HCCS needs to raise its salary scales and compensate employees when they come to HCCS with full-time work experience at other Texas institutions of higher learning.
- Full-time faculty salaries particularly in areas of workforce. If private industry can pay more to attract the best, why can't we? Most programs are finding it nearly impossible to find faculty to teach at the rates HCCS is paying. You cannot compare us to other community colleges in Texas smaller than us but, rather, community colleges out of state as large or larger.
- Difficult to attract quality part-time staff in sufficient numbers when other local community colleges pay more and when industry

- pays higher than HCCS. It's nearly impossible to staff in adequate quantities.
- Real professional development for $500.00 per person on faculty hardly pays for conference registration much less air, hotel, etc. to attend true professional development. Seems sufficient money exists in executive areas to send these administrators anywhere.
- I do believe that my contributions are vital to HCCS and I make a difference.
- Overall job satisfaction is good. Need better set-up regarding promotions. Upward mobility among instructors should not be made by peers (tends to be too much personal bias involved).
- Better evaluation process and follow-ups regarding the evaluation with recommendations for approvals.
- It would be nice to teach more than one course.
- As a part-time employee, I'd like to have benefits, at least paid vacation or holidays or even sick days (not that I take any).
- Incentive based on performance.
- A better salary.
- I would like to work with my supervisors and co-workers as long as I can because they are very skillful and good managers of our HCCS system.
- It is important to point out that my supervisor is the only person in the system that really appreciates mine and my cohorts' contributions. The administrators above are totally isolated from the real mission of the community college.
- A better "working together" attitude among employees. Competition of colleges has created low morale and harmed previous "good" relations among employees.
- Give our department a full time secretary - not one on soft money whose job will end at the end of the month. We are the second largest HSC program and will soon have no secretary to handle the staggering secretarial issues that abound.
- Salary increases based on performance/productivity.
- More money, more to do.
- Increase salary levels at HCCS to become more competitive with other institutional facilities at this level which include both full-time faculty, classified and professional/technical staff.
- HCCS never fires bad or even worse teachers. Those teachers get nice raises for living one more year. I've seen drunk and stoned instructors go to teach students.
- I'll have better job satisfaction when you fire the bums, drunks and derelicts - maybe check credentials - the ones burned out should be given a sabbatical or a match.
- Coordinated computer hardware, not the hodge-podge that is given to us to teach with.

- Standardized grading schedules or student performance standards. Not special grading for certain students.
- Salary structure needs to be reviewed. As a hardware/software technician, my salary is not competitive with similar positions outside the college or in similar schools. Even in my department, the so called Technical Support analyst whose duty is answering the phone and passing technical support problems to us are making $40,000 a year while I am making $29,000. Colleagues in my department (EUC) are better educated and experienced than employees of the same department such as the Information Center and yet, they are better paid, and no effort is being made to correct the past mistake of overpaying them.
- Become full time faculty.
- To become an employee with benefits.
- More and better photocopy machines available to faculty.
- Less backstabbing and racial profiling. Work as a unit.
- Require staff and non-faculty to come to work on a consistent basis and be accountable for their work product. This is not happening. The overtime was not closely monitored until 2002. Many employees are falsifying their overtime and getting paid large amounts of money. These same employees are getting the across the board raises of three percent while the hard-working honest employees are doing the work, honest on time sheets and sharing the money earned with non-performers.
- Leaving HCCS for a job at an institution that works is a reasonable, rational way and is not sucked into the latest vortex of non-sensical paradigms. Or at least one that follows the paradigm to which it pays lip service. Is it too much to ask that administration and board recognize that faculty is the front line in the educational process? What changes?
- An office, computers supplied by the institution, commensurate salary, support services that are adequate and monitored such as photocopy, facilities that are not moldy, crumbling, leaking, smelly, air-conditioned and clean.
- Respect.
- No discrimination for speaking my ideas.
- To have a chair who is progressive in all ways.
- To have a chair with whom students can work.
- Having more opportunities to work on projects that go somewhere.
- Professional development for part-time as well as full-time.
- Salary levels are fair for some areas but still need improvement in other areas.
- I am happy with my job at HCCS. I would like to continue on. I know I have done and can continue to do a great job but that does not necessarily mean I will be able to stay.

- More adequate workspace. Opportunity to attend managerial classes/workshops related to: computer, conflict resolution and working with a diverse population.
- I enjoy my responsibilities as a part-time employee. My immediate supervisor is a competent leader and knows how to get the best from the faculty and staff.
- Support (reimbursement and time) for continuing education.
- Salary competitive for degree, experience and number of years worked.
- Salary competitive with other major community colleges.
- I like how my supervisor takes care of administrative duties so that I can focus more of my energy on teaching.
- Support for license that makes me more credible as a professor and provides more credibility to the qualifications of HCCS faculty.
- HCCS advertises their jobs with lower degree levels. When someone with a higher degree gets hired for the position, compensation is not made. Someone with a bachelor's degree and someone with a master's make the same amount of money in an educational institution.
- Evaluations should be two-way instead of one-way. Employees should be able to evaluate the supervisor, too.
- I would like to see a pay scale commensurate with skill and responsibility of the position.
- Provide incentive plans for increased revenue generation particularly in the customized training area.
- Develop a system of staff and administration "Employee of the Month" or "HCCS Stars" based on performance criteria to provide recognition for individuals who are highly productive and adhere to the institution's mission.
- Provide supervisory training to administrators and "leadership training."
- More equipment in the classroom. More computer equipment in the classroom. Better access to audio/visual equipment. Better access to copy equipment. More secretarial support.
- Although I am only part-time, I have worked several years (6+) and never received a pay increase.

Appendix B
FACULTY, STAFF AND ADMINISTRATOR SURVEY RESULTS

Comments - Part 2

The following comments convey the faculty, staff and administrator's perception of HCCS and do not reflect the findings or opinion of the Comptroller or the review team.

BOARD GOVERNANCE AND ADMINISTRATIVE STRUCTURE AND PRACTICES

- Nothing different.
- Eliminate presidents. Too much competition and territorial attitude. We are one college.
- To make sure each campus has an effective administrator at the helm. It is not good to have the campus director position unfilled for over a year.
- Be more interactive with employees that are not in high places. Everyday common Joes, smile and talk to us.
- I am an academic faculty member. The decentralized structure of HCCS makes our academic discipline far too weak. Discipline chairs have virtually no power.
- Greater communication (face-to-face, not e-mail) between faculty and administration.
- Timely responses to important pressing issues.
- Replace the board. Empower the department chairs to make decisions (they can't even put time sheets in anymore). If a faculty member continues to be ineffective get rid of them! There is a lot of dead weight in the Math and English departments who don't do their jobs. I hear students complain everyday and yet nothing is done even when students complain.
- They are doing a good job so far.
- Southeast college leadership is abysmal.
- Board members who will actively work to improve advancement, instead of money for their travel and perks. Faculty needs development money.
- Let the "real" experts run the campuses. The people who interact with students should run things. College Leadership program is inadequate, politics rule instead of merit.
- Diminish obvious separation on issues in open forums, especially future and financial security of all five colleges. Create policy for governing board members who support one race above another,

resulting in under promotion over well-seasoned, educated employees.

- The board of directors should practice direction and less involvement in day-to-day business.
- The board should be a board, visionary element at HCCS and not be involved at all in the details of day-to-day business. The executive administration should also be looking at the big picture but with appropriate levels of involvement in daily ops - this is what you have other levels of management for - let them do their jobs.
- Centralize programs - this "hub" system is crazy and does not work. We constantly have to refer students to other campuses for course information. The system we had under Mr. Whitely worked very well and addressed the needs of our students.
- Business practices are cumbersome, slow moving and inefficient. Needs to be less micro management of individual departments. Bill paying is very inefficient and wasteful.
- Better representation for the Northwest College. This college is very much overlooked and does not get equal consideration when it comes to decisions that impact the student and faculty/staff bodies.
- A president who has better management skills! He would take another job at the drop of a hat - needs replacing.
- Too many administrative/clerk staff: Too top heavy in administration.
- Reduce the number of colleges to three: North = NE + NW, South + SE + SW and Central. This would reduce costs and make the system more effective
- The administration should realize that all their problems wouldn't be solved by trying to get more work out of classroom instructors.
- Stop hiring yes men who have poor records at previous colleges but can be controlled by the board of trustees. The chancellor's job here is like a swinging door - no stability or long-term programs. Contract "buy outs" are a way of life here at HCCS. We need more continuity at the top!
- As sure as the teachers/sub teachers and teacher aids have to take a test so should the director, and this must lead to treating employees, as you want to be treated. This was a job that I would have really loved. Children are the best. I have 26 children at HISD Monday to Wednesday and Thursday and Friday 22. I love them all. I work full time, eight hours each day.
- The power is removed from the supervisor when grievances are filed against them.
- Improve board members and staff relationships.
- All human resource, purchasing and business functions are cumbersome, excessive and a pain. Nothing is easy! It's amazing

that anything is accomplished. Few people return calls, items for instruction get no priority and people are generally not helpful or interested. Major changes must be made in these areas to streamline operations. They are not working to help make my job easier.

- Increase full-time faculty and staff (clerical) and pay them (particularly effective clerical) more for their good work. We seem to reward mediocrity and punish those doing a great job.
- More equitable process for attendance or professional development. Decrease the number of campuses. More qualified staff available. More forums offered with board, chancellor and presidents with faculty and staff.
- Quit buying expensive and unusable buildings in the wrong part of Houston (i.e. the NE college building). To realize that the continuing education for computer courses is at the wrong campus - instead of Northline-Pinemont, it should be at Westloop where the majority of students live. Compare the enrollment of the old Technology School to the current enrollment.
- The head of the counseling area implements programs and changes procedures that work well without ever asking directors or faculty for input. He then refuses to discuss his decision. Give us someone with people skills and counseling skills for that matter.
- One staff member frustrates the admissions process more than she helps it. She does not treat students with respect. She loses or improperly completes files. Another staff member is a counselor who makes the admissions process smoother. She should have as part of her job, training counselors how to be counselors!
- Get rid of board members who have been in office for more than six years, because they become complacent and do not do a good job. Administration needs to be restructured again. They are beginning to add too many administrators at the system level. There are too many layers at the colleges, also.
- Administrative processes often get bogged down by what seems like trivia (from my perspective). I don't really know enough about board governance to recommend changes. I believe that many of the incidences reported in the paper are biased and do not present a true picture of the college.
- That they would not create jobs for family and friends.
- One chancellor, one president, two provosts, fewer campuses, build out 610/West Loop.
- Cut administrative staff. Stop racial preferences in HCCS hiring. Blacks are disproportionately represented across the board at HCCS in all positions except faculty positions.
- The chancellor is a poor leader in every respect. He looks good physically, but he is a totally for the board which remains racist and divided. The Chancellor has encouraged his executive

committee members to practice a closed-door policy just like he does. There is no attempt to settle disputes in an amicable manner. Grievances have been increasing.

- I think there is a lot of wasting taxpayer's money at HCCS. First, the purchasing process of equipment and hardware like computers needs to be streamlined and there should be a standard. You will see managers or administrators buying or ordering top of the line PCs for their staff whose only function on the PC is minimal. How can you justify taxpayers' money of buying a PC with a DVD, CD Writer for a low level staff when actually a cheaper, less powerful brand can be bought? A suggestion is that IT department should set a hardware/software standard and do the purchasing. How can you justify, for example, the director of IT having 3 laptops at taxpayers' expense?
- Get the different education types: academic, continuing ed to work together, especially administration. Joint meeting may help.
- Cut back on red tape. Let public know more of what your objectives are.
- Build out the rest of the space at West Loop.
- Board is too political. Too biased toward their particular constituency, instead of serving ALL HOUSTON AREA students.
- The board is an embarrassment to the college. They need to keep out of day-to-day decisions of the college and set broad policy. Numerous cases of infraction by board - see Houston Chronicle.
- Eliminate the position of college president because you have COOs at each campus. Each campus has a different process which is confusing to students and administration. The COOs should have an accounting background, not social services or at a minimum some student service background.
- Don't let good workers go. Create or absorb them within the college.
- Reward work ethic.
- Encourage integrity.
- Stop internal cliques from being nepotistic.
- I don't know where to start.
- Board of Trustees still interferes in some processes and decision. Several members have their own political agenda and use their position on the board as such. Several have been and are embarrassments to the HCCS name.
- Sometimes it is necessary for reminders of our main objective and consideration that we are all on the same team from interns to the very top.
- Some board meetings would benefit the employees if they were presented on the Access Television channel for HCCS. That would help communication.

- The board of trustees sometimes makes decisions that do not seem to be in the best interest of teachers or students - they baffle me.
- Administration only refers to other administrators as "Dr." Ph.D. faculty is not referred to as "Dr."
- The college president is weak and cannot resolve matters. He cannot resolve conflicts between staff members. He needs to be more assertive.
- Have a faculty member sit on the board to assure that faculty growth is not overlooked.
- Develop a system to hire full-time continuing education faculty rather than relying on part-time faculty.
- Provide a separate funding group through the Economic Development division for new start-up programs in workforce continuing education.
- The board should not micro-manage college administrative processes.
- Ask adjunct faculty for input to agenda items before meetings. Fully consider recommendations by full-time staff members for program improvements instead of disregarding staff recommendations and waiting for advisory board/chancellor recommendations for proper improvement.
- Distance Education needs adequate testing facilities. They keep moving because we have no space. The best scenario so far is being able to use the auditorium.

COLLEGE OPERATIONS AND STUDENT SERVICES

- Ladies restroom needs major improvement.
- A/C is a problem at Northline Center. Some problems have not improved.
- We need food service here at Central College.
- Need to reserve parking for faculty.
- Building supervisor needs major improvement.
- Director Child Care - there is no understanding between a couple of the staff members. They don't understand the jobs. One of them gets a sabbatical (leave with pay and that is not fair to me or the other workers). She also loves to put an F on students' grades, even if they try. She doesn't understand that when you get a grant you can't fail, but she couldn't work for me. I am high class.
- Staff attitude needs major improvement.
- Air conditioner needs some improvement.
- HCCS has failed to follow through with billing corporations, TRC and Career Center for services. Many agencies refuse to work with us due to our lack of billing on time. This has been reported on several occasions, however nothing seems to be done to improve.
- Alumni need some improvement.

- COOs need major improvement.
- Cars on campus must be patrolled.
- Business Office - petty cash can take up to one or two months. This is too long.
- Retiree Services needs major improvement.
- Student Support Services need major improvement.

PURCHASING AND PROCUREMENT

- Attitude of staff is cold and unhelpful.
- Now it is slow. Department heads should keep records and order supplies in a timely fashion, not wait until supplies are depleted. The purchasing agent should have choices about where to purchase materials. Supplies should come in a timely fashion.
- Actually have someone to talk to; when you need them they are nowhere around.
- Answer the phone! No one answers a phone over there. Purchase orders can lay for weeks and I'm tired of paying last year's bills out of this year's budget because someone lost an invoice and doesn't contact us. If we receipt the product then it should be paid. If you are going to freeze budgets in May then there should be no issues by August 31st. Follow-up on problems!
- Too much red tape.
- Streamline purchasing procedure.
- Less signatures needed to actually purchase what programs need.
- The copier at West Loop has had frequent breakdowns during the start of the fall 02 semester, including lack of staples function, a major inconvenience to preparing teaching materials. A new copier is on order, but it seems that there was an excessive amount of time between the recognition of the problem by staff and the implementation of the request for and installation of the new equipment.
- Staff is highly professional and courteous when advised of a problem.
- Open purchase order information placed on Web page for downloading and printing. Procedures for receiving purchase orders on Web page. More training on Peoplesoft.
- Develop guidelines that would place responsibility for meeting guidelines on mid-management level, not board action.
- Routine purchasing is slowed by mid management (many times supplies and materials are received within two months).
- The process would be clear and efficient if the process did not change, depending on who is handling the order.
- Speed up payments!
- Speed up approval process.

- Don't restrict suppliers so much. Often something such as a pencil sharpener or fan can be purchased three or four times cheaper at a store.
- Get faculty input on types of classroom equipment to buy. Purchasing bought grey blackboards for the Scarcella Center. Students cannot see what is written on these boards and faculty can't write anything readable. What a waste of money! Students complain and we complain - no effect!
- Obtain and maintain equipment and supplies that are relevant to subjects. Seems it is a wishing pot for full-time faculty. Needs to be more realistic and academic (EMS instruction).
- The purchasing area is greatly appreciated by me and all of my family and friends. This is almost the best one. Get more people of color with an even number. Don't go odd.
- I have never had any problems in getting equipment or supplies for my department.
- Gut the entire process! Start over. Is it really necessary to have so many signatures? Why are there no priorities for instructional programs? Why are people in all of these areas so unresponsive, unfriendly, and generally unhelpful? I believe it starts in their management and it MUST be changed. This is a major source of frustration of most people I talk to when dealing with Business Office, Purchasing, HR. Educate the people in these areas about our needs and explain to them the reason we need items so quickly.
- We teach people and if we don't have the tools, they don't have a job.
- Develop a faster processing system for ordering supplies.
- Better services of installing equipment once purchased.
- Such long-term processing to order supplies.
- Ask for a simple pricing list when ordering items and determine how many supplies you need for that semester. The purchasing and ordering of products needs to be simple for the adjuncts, part-time, or work-study students.
- More training for staff and better communication on changes in policies for purchasing.
- Speed up the procedure; by the time the technical procurements are approved, they are old technology!
- I requested a color printer and scanner three years ago for classroom instruction via grant money. The requests were held for 2 1/2 years at the CEO level at the Southeast College.
- For teaching: we pretended we had color printers and used crayons to do spot color projects.
- Scanning was a dog and pony show at another classroom. The color printer, about $300; the scanner about $300. Our enrollment for the advanced class was 125 students.

- Put an end to the contracts. I think "friends" are being rewarded. But the supplies that are needed don't always appear within the contracted agency.
- Purchasing process needs to be streamlined especially in the purchase of computers. Let the IT department do the actual purchasing based on pre-set standards of software and hardware. The current system where every department just buys what they want at whatever cost is not cost effective and it's a waste of taxpayers' money.
- More involvement by faculty and administrative in developing rational purchasing procedures.
- Complete their Web site; otherwise ok.
- Explain it.
- Make sure employees do their job, return phone calls and process paperwork effectively.
- Every department needs to have access to their budget in relation to opening and closing purchase orders/
- In this case, getting approval for procurements is a problem. The department needs to process them in a timely manner.
- Purchase quality instead of the lowest bid.
- Purchasing department needs to be flexible to the changing needs of the department (Culinary/Baking and Pastry).

GENERAL SERVICES

- The bookstore should remain open at least two hours after the last class.
- Faculty should have a say in ordering materials for the library.
- Bookstore should be open all day on Saturday at major locations. Library should be open until 5 p.m. on Saturday at major locations.
- Students need bookstore at each campus.
- Students need change machine.
- Students need decent food at each campus.
- Bookstore prices are too high, need to renegotiate contract.
- Campus mail pick-up at some sites requires more than one pick-up per day. Comparable pricing from copy center.
- Mail pick-up and delivery only two times a week.
- No one is monitoring the timeliness of intercampus mail. We often get notices of meetings after the meeting dates. Use US mail for important mail to faculty, i.e. benefits, meetings, etc.
- They are doing a fine job.
- None - just keep up the good work!
- None, they seem to be helpful and courteous.
- Bookstore should close when the campus closes.

- No bookstore on our campus despite repeated requests when building was designed. It would be helpful to have it on campus for students as well as faculty and staff.
- Copy center is great and they respond immediately to our needs. Replacing the in-house group we had for years (who was so ineffective) with copy center was one of the best moves HCCS ever made.
- Mail service is OK but not much different than US postal service - enough said about this.
- Books not available when needed. Although reported, the problem occurs every semester.
- Get a new bookstore contract; they are ripping off the students.
- Allow bookstores to remain open late one night per week (i.e. 10 or 11 pm) and open early one day per week (i.e. 6:30 am or 7 am).
- The copier center is not available to my campus. Make copy center services known and available.
- Find another bookstore that is effective in receiving and delivering texts in preparation for the semester.
- They should be more proactive and respond to staff and faculty needs promptly.
- Bookstore and library should be open longer hours to serve evening, Friday afternoon and weekend students. They deserve the same level of services as weekday students.
- The mailroom is great. The copy center is also very well managed.
- Bookstore totally inadequate in all respects.
- They seem to be doing a fine job.
- Rarely use some of the services above, but mail service could be picked up more often.
- Prices are too high.
- Allow for competition for bookstore services and this area will automatically improve.
- Copy center services are excellent.
- Increase communication skills of mail center staff to HCCS community regarding capabilities of services and procedures.

PERSONNEL MANAGEMENT

- Have better benefits for everyone, even part timers.
- Have not received any staff development.
- Streamline hiring process.
- Once again, get the compensation issues settled. Increase pay for adjunct faculty.
- Human Resource department is not confidential.
- Anglos and Hispanics are placed in positions qualified or not, degreed or not. Provide equitable means for all employees regardless of ethnicity.

- Personnel in Human Resources do not know what different positions entail.
- Delegate authorities; improve employment process (takes way too long) including final approvals process (not everyone needs to sign personnel forms); delegate!
- Effective evaluation process that meets all EEOC requirements and is still realistic to different departments.
- Salary should be commensurate with experience. Human Resources procedures should not change overnight and certainly not without prior notification to the departments and the people who it directly impacts (i.e. change in pay rates, job descriptions, job qualifications).
- Nepotism throughout HCCS.
- Change the staff of which is not performing and not following the standard rules of child care/administration/benefits/responsibility with more hours, money, time. Technology, developmental, and administration needs a lot of help.
- Have managers and supervisors give evaluations that mean something.
- Increase the budget.
- More clerical staff should be hired! They should be compensated in a way that rewards their efforts and accomplishments. A merit-pay system should be developed and those who cannot perform should be eliminated rather than rewarded.
- We have too many administrators who are ineffective and many others who don't do an effective job with a bureaucracy as large as HCCS, I wonder if it will ever change - not enough Indians but plenty of well-paid chiefs.
- We need instructors that speak enough English so students can understand them. To introduce dot net course, and a UBA excel course.
- Human Resources has problems with inconsistency in hiring, with policies/procedures, lack of communication, etc. There seems to be total agreement in HCCS that changes in HR are pertinent.
- More training.
- Job shadowing - teacher/administrator clerical/support personnel - ROTATION. All know each other's jobs in general.
- Personnel management could improve by being fair and equitable in their hiring, job upgrades and salaries of ALL employees.
- Hire fewer administrators and more staff and faculty.
- HCCS does not and CAN NOT recruit qualified faculty and administrators. Without tenure or long-term contracts every faculty member is subject to year-to-year whim of their administrators. The administrators are not scholars. They are not even "master" teachers - almost all have their doctorate in higher education

administration - TOTALLY USELESS. They don't even administrate well.

- Salary structure needs to be reviewed. And employees should be better educated on their benefits. Training program for employees should be more regular.
- Share personnel information between academic and continuing education.
- Literature Department chairs decide what ratio of full-time/adjunct faculty is appropriate for their discipline, instead of a single policy for whole college.
- Make HR accountable to faculty and staff instead of vice-versa.
- The executive director of Human Resources is incompetent and should be fired. The vice chancellor over Peoplesoft is not an IT person and the software has many deficiencies - after two years there are too many errors. The position of vice chancellor for Information Systems should be created for Information System background
- Retain good employees. Reward work ethic.
- More changes to the current email system, please. The last so-called "major improvement" was such a disaster! I couldn't pull up any emails for weeks.
- Have someone that knows what to look for in applications/resumes pertaining to the position. Terminology may vary slightly in a job description and someone that knows about the various ways to describe one thing should review the resumes.
- I have no recommendations except maintaining ongoing procedures. Continue recruiting qualified teachers and staff teams.
- Overall, they are professional and adequately staffed. However, they need to better select and consider HCCS staff when applying for other positions.
- Make modern computers available to staff.
- Improve posting process of job announcements.
- Upgrade web posting to make more user-friendly and include continuing education part-time faculty announcements.

Appendix B
FACULTY, STAFF AND ADMINISTRATOR SURVEY RESULTS

Comments - Part 3

The following comments convey the faculty, staff and administrator's perception of HCCS and do not reflect the findings or opinion of the Comptroller or the review team.

TECHNOLOGY

- More training on databases for faculty.
- I would recommend the same level of training to part-time staff. Part-time staff usually provides the service in the absence of full-time staff so training availability should be provided as well to enhance the services of HCCS to the students.
- More training on software (in-services).
- Classrooms need to be set up to facilitate technology applications.
- The computers in the labs are often not functioning properly.
- Streamline response time to offsite employees with technical problems with computers.
- DO NOT make major changes in the middle of semesters in e-mail, Peoplesoft, etc. We do not have a true Distance Education Program where students can learn on their own with technology. We use Web CT to deliver semester-based courses. We probably lose thousands of dollars to other institutions who have a true DE program (i.e. UT, Texas tech, LSU, etc).
- Better computer training.
- None. On the right track.
- Employ personnel who are experts.
- Technology staff usually messes up our computers. E-mail is a problem - changes made mid semester.
- HCCS seems to keep pace with a rapidly changing computer technology.
- Provide variety of software packages and training. Provide four days of training instead of two. Mandatory training for employees employed with college fifteen years or longer.
- Ok, but improve - get things working better and faster.
- Hardware and software made available to all departments including workforce development - Hardware and appropriate software made available to staff with proper training. Proper software interaction that once a student is enrolled all of his records would be on the computer and access be made available to appropriate personnel.

- Recruit and retain qualified personnel. Only knowledgeable and efficient personnel should staff this key department.
- Have a coordinator of technological department as separate department chair.
- Paid training in technology.
- Continue the good work.
- Reduce red tape. Many staffers appear to be there to collect a paycheck. VERY POOR customer relations. Lack of concern, always ready to pass off to someone else. No INITIATIVE.
- I went to school on Main Street. Computer software 2000 Microsoft office 98 and 2000, typing and classroom skills were great. I had a man teacher and he was great so you got rid of him. Anything good HCCS will get rid of; anything bad you will keep.
- I believe the technology is OK at HCCS.
- Whoever changed out email system on 10-1-02 without having tested it more or planned for as many problems as we've encountered system-wide should be FIRED! I, along with everyone I've talked to have had problems - no solutions from IT provided in timely manner. Not enough technology feedback for instruction and many other areas (particularly technical equipment) are not adequately supported. Technology is not only computers, which administrators fail to recognize.
- Provide adequate, continuous upgrade for laptops on a continuous, consistent basis.
- Make sure labs are safely laid out.
- When equipment is purchased, it is loaded, set-up and faculty, staff and administrators trained in the use of new equipment immediately - not several months later.
- Keep up the antivirus software. In my classroom there is not anti-virus software. Last fall I had two virus attacks on all computers at Town and Country Campus. The anti-virus programs were one year out of date and permanent staff did not inform the IT department of viruses.
- I believe that technology with HCCS is OK. However, sometimes there needs to be maintenance of the computers and Peoplesoft tool. Normally, everything is ok for me.
- HCCS is possibly the leader in technology. The only recommendation I would make is to suggest that HCCS promote the fact that they are way ahead in technology.
- New system for email has bugs. Need more training in Peoplesoft for current and new staff.
- We need a larger testing area in the HCCS computing area to accommodate everyone's increased class enrollment size.
- Get rid of Peoplesoft!
- Need more updated office equipment like computers, software, printers and photocopiers.

- Better maintenance.
- Need training on the new Oracle email system.
- The college makes certain that staff and administrators at 3100 Main have good IT support; at the colleges it is awful.
- Have it available to all faculty, full or part-time.
- Better qualified and skillful people should be employed.
- Some permanent faculty seems reluctant to use computer technology. Classes for technology use may be helpful.
- If student can't attend class perhaps he or she should be able to do it at home more often.
- The Bursar's Office has not received formal training on the Software that it is to use to do the job. Staff had impromptu sessions with detailed handouts but no formal training for the scope of responsibility - basically trained each other. Create a position of vice chancellor of Information Systems and hire Peoplesoft experts not HCCS employees with limited background.
- My computer was obtained by an independent grant, NOT provided by HCCS.
- Keep updated. Allow more funds.
- Better equipment and up-to-date software for the students, not just faculty/staff. Plus someone stationed at the labs that is knowledgeable enough to help the students. Of course it would have to pay well to attract a skilled person.
- In faculty work area update computers, provide more computers and working printers.
- HCCS, like most employers, look for employees with ready-made computer skills. They depend on professional development which is usually paid for by the employee to further enhance additional skills. These developments should be paid for by the college.
- Make classes more available during the week (9 to 5).
- The registration is a nightmare. Nobody knows anything. We spend hours on the wrong line. We never have the right papers. To register for a culinary/baking class the computer always states that the course is full and therefore closed.

GENERAL COMMENTS

- I recommend and hope that part-time staff can be provided with some assistance for the cost of taking a class. Again, I hope that part-time as well as full-time staff is paid based on our education and experience. I would like to encourage manager's to occasionally meet with their staff, i.e. (part-time) to just update and share new ideas and procedures.
- HCCS is a great place to work! Minor changes in certain areas would make it better! Main thing is morale - treat people right and fair. Don't do for one and not the other.

Administrators/faculty/staff need to treat others as they would want to be treated! Faculty is not better than the other. We all need to be held accountable for our jobs responsibilities. We all must show up for work! We all must claim our time off. We all must log in and out.

- Over all it's a great place to work.
- In general, I think HCCS is a wonderful school system. I would suggest greater communication all around and would suggest that non-matriculated students (especially ESL students) receive much more advising.
- I need an e-mail address - I do not have one.
- The students need FOOD SERVICES! Not vending machines! Student activities are a joke, there seems to be no sense of urgency for improving conditions. We have campuses that need repairs yet because of politics we are spending money on a campus at 288 and airport! Why waste money. The moral is at the lowest I have seen and as long as the evaluation process does not allow for removal it will just get worse. The department chair concept is good but changing every three years is too soon; it should be five. It takes three years just to learn the job.
- HCCS is a good place to work but could use improvement in many areas.
- Presidents need to be evaluated. Too many are incompetent and have never been held accountable. Southeast college is a prime example. This evaluation needs to be done from the people below the president for more accurate evaluation.
- Dean of Health Sciences has tried to model a student retention plan for three years and Southeast vetoed it. New system is attempting to implement same plan. Why? Once again HCCS doesn't recognize vision and exemplary leadership right under its nose. Good people are lost this way.
- Chancellor is being deceived by his administrators. He needs to talk to the actual workers.
- Seems to be a good work/school environment. The system seems to be effective and efficient.
- I could easily write a dissertation on what HCCS needs to do to become a legitimate, respected institution of higher learning.
- The hub system does not work. My department has a chair and four assistant chairs. These five people have a total of 12 release times. Under our centralized system most programs had one supervisor who taught two to three classes each semester (two to three release times). The Hub system wastes taxpayer's money and is confusing to students. Students have to go to different campuses to get information since the chairs (in workforce) are spread throughout the system. PLEASE HELP US!

- Staff personnel that have first contact with prospective students and other business personnel need training that would assist them in treating these people as customers.
- Complete review of business office procedures accounts payable and receivable very inefficient.
- Develop purchasing procedures that do not require board approval on every day supplies and equipment usage.
- Our students and faculty face the worst environmental SICK BUILDING POSSIBLE - the environmental people would close the building. It causes coughing, burning eyes, and other allergies. Central campus should be cleaned up or closed up!
- Fewer colleges as mentioned above would create larger, more efficient colleges. Many departments would become more effective with less overall administrative and technical staff. This would free money to hire more permanent faculty and provide them with better academic training and standards. The ratio and power of administration to faculty should be reduced. The quality and power of faculty must be increased.
- Pray because the Lord doesn't like the ugly, and he's not too happy with the pretty and the rich greedy. Change your ways and attitude. You will see.
- For the second year in a row I have heard that my campus has an extremely tight budget. This year my campus cut my hours down to four hours per month due to a tight budget.
- Overall, HCCS is a great place to work. Although we have problems, so do most organizations. These can be overcome but must be done soon if we are to grow as a "Learning College."
- Redirect resources to areas that directly affect instruction and cut out the waste in many areas of the institution. We need bold leadership to accomplish this goal. Help attract and retain employees and reward those doing a great job with more money. The people in this area of the college (clerical and other staff) are the least paid, the hardest working and the least appreciated. If anything, please address their needs as soon as possible to be fair and equitable.
- Provide continuous training workshops for faculty, staff and administrators related to specific areas of work.
- Provide telephone service for each program at each campus where program located.
- Decrease the number of campus locations
- Drop the use of "Hub" system. Create four sites (North, West, South and East) with consistency in offering at all sites. May need to focus small program areas at one or two sites only.
- Peers should not be allowed to select leadership - this should be done by administrative personnel.

- If the college is going to improve its image in the community the quality of it's teaching must improve. Real supervision of instructors is non-existent. As an employee and a former parent of a student I have been very disappointed in the equality of instruction. Too often, instructors don't show up; dismiss class early; fail a disproportional percentage of the class. Supervision of the teaching faculty needs to increase.
- In the computer department some full time faculty seem to lower course standards. Adjunct faculty seems to lower course standards. Adjunct faculty is reviewed in their classrooms. Maybe the full time faculty should be evaluated in their classroom each semester.
- Need more scanners and copiers. Fax machines for admissions (Northline). Copier machine for Admission (Northline).
- More security guards for every campus.
- Car parking for Central campus and students.
- There should be more people at the information desk at HCCS Central campus. Each time I call the info line, no one is there to answer the phone. Staff/faculty should return phone calls ASAP. When I leave a message for staff, I never get a reply back. The bookstore at Northline Campus should be open on Saturdays, too. Like from 9 to 1 pm. The HCCS gym in the Central campus needs to extend the hours in the weight room Saturdays from 10 am to 4 pm.
- Build out space in areas where student population is not being served such as West Loop, Alief, etc. Waiting lists continue in these areas, yet no effort is made to add space.
- Overall, HCCS is an excellent place to work.
- Northeast college academic dean doesn't offer classes to fit the needs of students. She has qualified adjunct faculty who instruct better than full time faculty and haven't received full time positions. Faculty who receive continuous complaints continue to keep jobs at the students' expenses. The schedule is a mess.
- Southeast continues to promote only Hispanics with no qualifications in upper level positions.
- Administration, faculty and staff are allowed to transfer but counselors cannot transfer. Need to hire a competent legal team to fight suit instead of paying without court.
- Southwest management is all white. Some administrative groups don't have minorities.
- I know it's a fine line to walk between student retention and high learning standards, but some of the technology departments should be run more like a "real college."
- HCCS is the most hidden jewel of Houston. Despite our internal problems, I believe we can increase enrollment. We need a fair way of distribution of assets (computer labs). We need advertising. There are TOO MANY PRESIDENTS. They were set up to

compete among themselves. The result: low morale, unfair payment, feeling that if you had a good idea it would never get to someone who would act upon it.

- Why aren't articles written about exemplary programs in the chronicle?
- We (HCCS) faculty and counselors need a clear direction and plan for RETENTION and REPLACEMENT. I love HCCS. I came here part-time in 1973. Why can't we get our enrollment up to 75k? The board and Chancellor may have to tear down some Jericho walls. We have the building blocks.
- Focus less on minority issues and get back to the reason for the existence of the institution - education!
- The Chancellor needs to be a scholar or master teacher - not an academic position. The board should be selected by the government. No system is perfect but elected board members by district believe that their primary job is to posture for their district. They don't care about the college as a whole. This racism is reflected in the day-to-day operations at each college.
- There needs to be a massive overhaul of the community college system in this state.
- I think a thorough auditing and review of HCCS purchasing, hiring and salary structure and finance/accounting should be embarked upon. These are some of the positions, for example, in the IT Department that can be eliminated because of duplication of functions or for lack of defined responsibilities and duties. And some of these positions like project manager or administrative director are clearly a waste of public funds because they do not have clearly defined functions and responsibilities. Why would you need an administrative director in the IT department when you already have an IT director, communications director and at least five senior level managerial positions?
- Only post actual jobs. Allow resume material to be saved and not resubmitted for each applied-for position. Stop having to resubmit resume material for continuing education after being accepted on academic side or vice-versa.
- Clear concise policies. Enforce then in a timely manner.
- Scholarship for past-employees going to college
- Leave more decision-making authority with faculty and department chairs instead of "higher" administration.
- PLEASE, PLEASE look at resource allocation! The Board has/is building buildings where no students exist as monuments to themselves. In the meantime, we are not serving existing students adequately. We had to give students free tuition to get them to attend Cogwell Hall.
- HR employees seem better in compensation levels than other staff.

- Buck Study results seemed manipulated at some level and resulted in imbalances that were not addressed.
- An opportunity was provided for some to have a review under the Buck Study. However, no formal reply was sent to those who submitted their appeal.
- Grievance procedure at HCCS is not consistent in following established procedures. The employee is held to time lines, however the administration is not.
- Procedure seems more concerned with comforting the employee than seeking out the cause and taking effective and timely action to resolve problems. Some of the staff tries to be effective, however the administrators are not receptive.
- There are many long-term employees who have risen to the top but are not qualified for the positions they currently hold. They refuse to use the information available to them to improve their program. They should be forced to retire.
- HCCS' board decided not to hire full-time faculty at this time. Other community colleges are seeing 44 percent increases in enrollment because HCCS does not notify students of acceptance and does not have a policy on turnaround time for application processing and notification. If HCCS does not take advantage of the pool of technical skill available in Houston now they will go to work at another community college and develop that program and when HCCS decides to hire, many of these applicants will be retirement age.
- Cliques prevent good workers from furthering their careers. Such nepotism is greatly harming HCCS from getting fresh ideas.
- Provide instructor incentive.
- Say thank you sometimes.
- Provide faculty parties (i.e. holiday) without charge at decent locations.
- There is NO camaraderie unless you establish it yourself with great endeavors.
- At times, there are too many policies that get the gears stuck.
- Something that may not be so important but was a little annoying: if you are going to have a picnic, why can't you include ALL employees? Just because someone doesn't have benefits does not mean they aren't a vital part of the team (as the picnic was open only to eligible employees). That's not so fair.
- Fairness in office setting helps. Doctorate, master, bachelor level should be provided offices geared to their level. My office is behind the copy machine with no windows. No doors, just a hole in the wall for all practical purposes.
- Nobody seems to know that what it really means in that a student has to have a written approval, but nobody at the registration recognizes this fact.

- The organizational structure of continuing education at the top level is not in synch with the organizational structure flow at the colleges. The CE Directors report to the Workforce deans. Workforce deans meet with the vice chancellor for Workforce and Instruction. CE directors meet and report to the vice chancellor for Economic Development. Two separate lines of communication with top-level system administrators creates a disconnect and inconsistent implementation of strategic plans. Limited activity and oversight of Workforce deans over CE.

Appendix C
STUDENT SURVEY RESULTS

Demographic Data/Survey Results

n=215
*Totals may not add to 100% due to rounding.
Demographic Data

1.	Gender (optional)	Male	Female	No Answer
		29.8%	67.4%	2.8%

2.	Ethnicity (optional)	Anglo	African American	Hispanic	Asian	Other	No Answer
		27.0%	24.2%	25.1%	16.7%	0.9%	6.0%

3.	How many college credit hours have you completed?				
	0-14 Hours	**15-29 Hours**	**30-45 Hours**	**45+ Hours**	**No Answer**
	23.3%	20.0%	17.7%	34.0%	5.1%

4.	Age Range (optional)	17-25	26-35	36+	No Answer
		45.6%	24.2%	26.5%	3.7%

5.	Are you currently:		
	Full-time Student	**Part-time Student**	**No Answer**
	37.2%	53.0%	9.8%

6.	At which college do you attend class?				
	Northeast	**Northwest**	**Southeast**	**Southwest**	**Central**	**No Answer**
	11.6%	25.1%	15.3%	23.7%	18.1%	6.0%

7.	My ultimate goal in attending HCCS is:					
	An Associates of Arts Degree	**A Professional Certification**	**Enrichment**	**To Improve Skills**	**Transfer Courses to a Four Year College**	**Other**
	23.7%	7.9%	5.6%	6.5%	50.2%	6.0%

(Definitions of Columns: SD = Strongly Disagree; D = Disagree; N = Neutral; A = Agree; SA = Strongly Agree; DK = Don't Know.)

A. College Environment

STATEMENT	SD	D	N	A	SA	DK	NA
HCCS is an exciting and challenging place to learn.	0.9%	5.6%	20.0%	49.8%	22.8%	0.9%	0.0%
HCCS offers social activities that are of interest to me.	9.8%	19.1%	22.3%	23.3%	8.8%	16.3%	0.5%
A majority of students at HCCS are motivated and interested in learning.	2.8%	7.0%	19.5%	46.0%	15.3%	8.8%	0.5%
The academic expectations at HCCS are equal to or above those of most other community colleges.	0.9%	6.0%	12.6%	40.0%	23.7%	16.3%	0.5%
HCCS officials enforce high academic work standards.	1.9%	6.0%	20.9%	41.4%	25.1%	4.2%	0.5%
HCCS faculty enforces high student class attendance and learning standards.	1.9%	5.6%	12.1%	46.0%	33.0%	0.5%	0.9%
HCCS students have high learning standards and class attendance.	0.9%	11.6%	16.3%	44.7%	19.5%	6.0%	0.9%
Students who do not meet expected learning standards receive low grades.	0.0%	5.6%	12.6%	44.2%	21.9%	13.0%	2.8%
The learning environment at HCCS meets my educational needs.	2.3%	7.0%	10.7%	47.0%	30.2%	1.4%	1.4%
HCCS faculty is doing their best to help me succeed.	2.3%	7.4%	16.3%	40.9%	30.2%	1.9%	0.9%
HCCS staff is doing their best to help me succeed.	5.1%	8.4%	19.5%	36.7%	25.6%	3.7%	0.9%
HCCS faculty treats me in a friendly, caring and helpful way.	2.3%	4.7%	14.0%	45.6%	32.1%	0.5%	0.9%
HCCS staff treats me in a friendly, caring and helpful way.	4.2%	5.6%	18.1%	44.7%	25.6%	0.9%	0.9%
I feel at ease in approaching my instructors for help.	1.9%	1.9%	11.2%	48.4%	35.8%	0.0%	0.9%
I find it easy to get an appointment with my instructors for help outside of class.	2.8%	7.0%	15.8%	35.3%	20.5%	17.2%	1.4%
When I've asked for help outside of class, my instructors have been very helpful.	2.3%	6.0%	18.1%	34.0%	22.8%	15.8%	0.9%
I need more help than I am currently receiving to succeed at HCCS.	14.9%	28.8%	20.0%	18.6%	11.2%	4.2%	2.3%
I feel that the academic counseling I receive at	6.0%	13.5%	19.5%	34.4%	12.6%	10.7%	3.3%

STATEMENT							
HCCS meets my instructional needs.							
I feel that classroom space and other campus facilities are adequate.	4.2%	13.5%	13.5%	45.1%	19.5%	2.8%	1.4%
I feel safe and secure while on campus.	1.9%	4.7%	14.4%	47.0%	27.9%	2.3%	1.9%
Most administrative practices at HCCS are efficient.	3.3%	4.7%	24.2%	46.0%	8.8%	11.6%	1.4%
Most administrative practices at HCCS are effective.	3.7%	5.1%	23.3%	43.3%	10.2%	12.6%	1.9%
Administrative decisions are made quickly and decisively.	4.2%	8.4%	24.7%	28.8%	7.4%	24.2%	2.3%
HCCS administrators are accessible and helpful.	6.5%	7.9%	22.8%	34.4%	9.8%	17.2%	1.4%

B. Board Governance and Administrative Structure and Practices

STATEMENT	SD	D	N	A	SA	DK	NA
The Board of Trustees is effective in carrying out its governance responsibilities for HCCS.	0.9%	5.1%	20.0%	21.9%	6.0%	44.7%	1.4%
The Board of Trustees allows the administration to manage the affairs of HCCS.	0.9%	1.9%	21.9%	19.1%	5.1%	48.8%	2.3%
The chancellor is an effective academic leader.	1.4%	2.3%	22.3%	16.3%	9.8%	46.0%	1.9%
The college president is an effective academic leader.	0.9%	1.9%	21.9%	15.8%	9.3%	48.4%	1.9%
The chancellor is an effective administrative leader.	1.4%	3.3%	21.4%	16.3%	8.4%	47.9%	1.4%
The college president is an effective administrative leader.	1.4%	1.9%	22.3%	15.3%	9.3%	47.9%	1.9%
Current student registration processes are efficient.	11.2%	10.2%	14.9%	43.7%	16.3%	2.8%	0.9%
During registration, most faculty and staff are courteous and helpful.	9.3%	13.0%	13.0%	44.2%	16.7%	2.3%	1.4%
I have had no major problems receiving my financial aid.	5.6%	5.6%	4.7%	10.7%	5.6%	3.7%	64.2%
Financial aid staff is courteous and helpful.	4.7%	4.2%	8.4%	10.7%	6.0%	4.2%	61.9%

C. College Operations and Student Services

College Function	Needs Major Improvement	Needs Some Improvement	Adequate	Outstanding	Don't Know	No Answer
Instructional transfer programs	4.7%	14.9%	29.8%	4.2%	40.9%	5.6%
Instructional workforce programs	0.9%	8.8%	24.2%	4.2%	56.7%	5.1%
Academic counseling and advising	13.5%	20.9%	38.1%	10.7%	13.5%	3.3%
Student organizations/Student programs and activities	9.8%	16.7%	32.1%	5.6%	32.1%	3.7%
Library	7.9%	18.6%	37.7%	20.0%	13.0%	2.8%
Bookstore	10.2%	23.7%	42.8%	15.3%	4.7%	3.3%
Testing centers	3.3%	11.2%	37.7%	11.6%	33.0%	3.3%
Financial aid	13.5%	15.8%	14.4%	4.7%	45.6%	6.0%
Food service	21.4%	13.5%	14.9%	3.3%	42.3%	4.7%
Registration and records	11.2%	19.5%	49.8%	11.2%	5.6%	2.8%
Student admissions	8.4%	18.1%	49.3%	14.4%	6.0%	3.7%
Student recruiting	6.0%	7.9%	29.3%	6.5%	46.0%	4.2%
Student retention programs	4.2%	8.4%	20.9%	3.3%	59.5%	4.2%
Dean of Student Services	3.3%	6.5%	21.9%	4.7%	59.5%	4.2%
College Operations office	3.3%	8.4%	26.5%	5.1%	53.0%	3.7%
ADA office	0.9%	4.2%	14.0%	4.2%	72.1%	4.7%
International student office	4.2%	6.0%	12.6%	2.8%	69.3%	5.1%
Business Services office	2.3%	9.3%	23.7%	3.3%	56.7%	4.7%
Instructional computing	1.9%	7.4%	27.9%	6.5%	50.2%	6.0%
Computer Labs	3.7%	11.6%	39.1%	23.7%	19.1%	2.8%
Distance learning	0.9%	8.8%	20.5%	9.3%	54.9%	5.6%
College's Web site	3.3%	13.5%	46.0%	22.8%	11.6%	2.8%

Administrative computing	1.9%	6.0%	24.7%	3.7%	60.0%	3.7%
Public relations	2.3%	9.8%	24.7%	4.2%	54.9%	4.2%
Bursar's office	1.4%	5.1%	20.0%	1.9%	66.0%	5.6%
Class schedule	5.1%	14.9%	57.2%	17.2%	2.8%	2.8%
Campus police	7.0%	10.2%	56.3%	16.3%	8.4%	1.9%
Parking	23.7%	27.0%	35.3%	8.8%	1.9%	3.3%
Building maintenance	12.6%	17.2%	48.4%	14.9%	4.7%	2.3%
Custodial services	7.0%	11.6%	50.2%	15.8%	13.0%	2.3%
Groundskeeping	4.7%	8.4%	54.4%	17.7%	12.1%	2.8%

D. General Services

STATEMENT	SD	D	N	A	SA	DK	NA
The bookstore's hours of operation are convenient.	9.8%	17.7%	11.2%	45.1%	9.3%	5.6%	1.4%
Adequate books and supplies are always available in the bookstore.	11.2%	21.4%	11.6%	40.5%	9.3%	4.7%	1.4%
The bookstore allows various methods of payment for convenience.	5.1%	4.2%	11.6%	52.1%	13.0%	12.6%	1.4%
Bookstore employees are courteous and helpful.	3.3%	6.5%	14.9%	48.8%	22.3%	2.8%	1.4%

Appendix C
STUDENT SURVEY RESULTS

Comments - Part 1

The following comments convey the students' perception of HCCS and do not reflect the findings or opinion of the Comptroller or the review team.

COLLEGE ENVIRONMENT

- Have an outside vendor move on campus [to provide] an eating facility for the students. This is recommended for all students so they will not have to leave campus to eat only to have to come back to go to their next class. Also, it would be helpful to students who have to stay on campus for their classes and have a lack of transportation. Also need more parking space and a shuttle bus.
- There is no academic counseling.
- Counselors are not available when I ask to talk to them. I need help with what to do and what classes to take next but the counselors seem to always be out at lunch.
- I would recommend renovating HCCS' Central College campus.
- First, all of the students they have working on campus are incredibly rude and useless. They are very little help and are usually complete idiots who do not help the representation of any college environment. Also I have a very hard time with math and the fact that most of [the] instructors speak with such heavy accents makes it even more difficult.
- Enlarge parking lots, and more security in parking lots.
- Counselors must be prepared to be counselors.
- Faculty and staff must be always friendly.
- Expand some colleges with bookstores and books to read.
- Some campus ceilings need to be changed. [They] are leaking water, and moldy marks appear on them.
- I recommend HCCS to become more challenging. The work is not challenging. I don't think HCCS prepares students for a university because the work is not comparable. It's not a good transition.
- I am a dual-credit high-school student. Registration is a pain, and HCCS at Town and Country has its share of obstructionist bureaucrats. Several people (staff) have been very nice and my teacher is far from friendly but I've learned from her.
- I would recommend a bigger library, longer bookstore hours, and a school café or dining area.
- It's a nice college.
- Food service; student union; cafeteria; refreshment; study meeting area; larger library; increase outdoor lighting.

- Better parking. The lot and roads leading to it are full of potholes and the lots are always full.
- Hot meals served for those who don't have much time between classes and can't run off campus to get something to eat. At the Town and Country campus I attended they only have snack and soda machines - no foods with nutritional value.
- The counselors should be helpful and not rude.
- More security in the parking lots in the evening.
- Tenure would be preferred to part-time professors.
- HCCS central requires remodeling of most buildings because when it rains the roofs are leaking and they end up stinking. They should build a student lounge and cafeteria that are equipped and have a 24 hour library to meet student demands.
- Larger desks.
- Build a facility (gym) for students to get away from stress.
- The staff needs to be more careful in handling paperwork (i.e. veteran's affairs, financial aid).
- A shorter wait to talk to a counselor and a better greeting when you are asking for help. For example, I get aid through the school district and the cashier that helps input code doesn't have a pleasant attitude (Southeast campus).
- More diverse courses. Not just the basics.
- Changing attitudes of faculty and staff. They're not helpful and are rude to students. Most of the counselors do not know what to advise and show direction. Timely manner required for every staff. They usually send students to different/wrong persons to solve problems or give wrong advice. In one word, most of HCCS staff is unprofessional.
- I think the new campus is excellent. The older buildings need to be updated and we need a bigger library.
- To better accommodate all students.
- 2003 is getting bigger and better. Changes are coming for HCCS. Rules are a plus.
- More parking at Town and Country. My professor was never available outside of work nor did he respond to my emails or phone calls.
- We need a restaurant.
- We need a bus station, I have a car but I feel bad for students who risk their life to pass the freeway to come to school.
- Better counseling system. They advised me to take classes that I did not need. However, I went to the University of Houston to see what classes I needed.
- Spend more money on renovations to Central College campus! Transfer center needs to be more informed. Counselors need better knowledge of what big universities want to see in student schedules/transcripts.

- Free parking at the Coleman campus medical center.
- The facilities at the Central College campus could use improvement-particularly the main building, there are many classrooms with poor ventilation. Missing ceiling tiles, mold, etc.
- Instructors need to be more attentive to the needs of students. Get students to interact in lectures and also instructors need to make students feel comfortable enough to ask questions.
- Counselors/Academic advisors need some major improvements. Although some have been helpful, in my opinion, the majority of them are not helpful at all in helping out with transfer courses, or helping students in some specific question. Solution: Maybe they should be trained more and be prepared more to answer any kind of question concerning an academic career.
- Offer health-related programs like to be a certified Nurses Assistant or Registered or LVN Nurses.
- To be able to find someone to tell you what steps to take in accomplishing your goal and major.
- To have more ways to find economical help.
- While the classroom size is adequate, the facilities such as light fixture, AC, cleanliness and maintenance of buildings need to be improved on. The teaching faculty is good, as well as the classroom size.
- There needs to be more security for students attending night classes at Northline campus.
- To have more classes at different times. I think that HCCS should have a class whenever you NEED to take it. Night/morning/afternoon.
- A wider variety of classes at the Northeast Campus. More grants and fewer loans.
- More funding for classes (i.e. bigger rooms, seating).
- Easily accessible means of scholarships and grants.
- More classes to fit around working schedule.
- Better student activities.
- Larger classrooms.
- Faster registration process.
- Faster financial aid process.
- Some type of refund for late withdrawals.
- For counseling: I would like to recommend the counselors be more helpful, not just give us general information. For example, I major in education but I don't know which school has the best program. I asked counselor and she told me "I don't know, you have to check it out." And another thing I would like to change is instead of some counselors standing in the hall talking and laughing, they could help some more students who are been waiting for hours at Northeast Campus.

- I find HCCS a good and better college, maybe because I have done all my education in HCCS and am satisfied. I cannot think of any changes to make HCCS a better college. I find it great.
- A cafeteria is a good idea! I hope they make every effort to build a cafeteria. I have heard a lot of students talking about the need for a cafeteria.
- Central campus needs major overhaul. Classrooms are de-motivating in appearance.
- Instructors should pay more attention to aged students because of their capacity of retaining information. Counselors should be patient with students especially new when searching for advice about the courses.
- Have teachers that we could understand better (meaning their accents).
- Sport facilities. Some tours in Houston city, especially for international students.
- There are very few changes that I would recommend. I am extremely satisfied with the instructors I have had.
- How much does it cost to continue to rent an environmental temperature control system (the two big systems down the road between SJAC and FAC buildings) rather than fix and use the A/C the building (SJAC) currently has?
- Longer lab hours for computer labs especially on weekends.
- More centrally located campuses.
- Strong need for better computer technical support-always reactive. Get labs ready BEFORE classes begin not after. Problems with computers and printers put students behind in their work.
- For HCCS to be a better college they should have [extra] curricular activities for students like they should provide students with a gym, basketball and tennis court. HCCS should also offer free tutoring classes. Especially for Physics, Biology, Math and Chemistry.
- Faculty and staff to be more attentive. If staff or faculty member says classes start and end at a certain time it needs to be at that time. We shouldn't have to pay more for less time.
- The faculty needs to be more helpful. When instructing, they need to instruct a specific subject instead of talking about things not pertaining to that subject.
- Look more like a college, not a high school. Have more college atmosphere.
- The professors at HCCS should look at each individual by their work not by the color of their skin. They also need to give students credit for trying their best at class.
- I would recommend that all instructors and staff receive training in sensitivity, proper classroom conduct, and basic civility. They should be required to behave consistently in showing respect to all

students as human beings. Perhaps some kind of morale-boosting or anger management activities for them would also be helpful.

- I had seven instructors for fourteen classes all of whom demonstrated very good or adequate teaching skills. Two of the instructors were especially good and behaved professionally at all times. Of the others, their teaching skills were fine but their classroom behavior left much to be desired. The students often demonstrated better behavior than the teachers. A few examples are as follows. Three of the seven instructors routinely made racial slurs and derogatory statements towards students in the class. Two of those frequently took significant time in class to "rant and rave" about race issues (in science class). Two of them frequently made inappropriate sexual or gender comments and/or jokes. This should always be unacceptable, but in medical science class this becomes especially inappropriate. One questioned female students about their dating habit, reproductive history, STDs, etc. Three of them were routinely disrespectful and/or verbally abusive to students. All three would single out individual students (luckily not me) for insignificant reasons and berate them like an out-of-control parent would berate a small child. One berated and humiliated students in nearly every class period! Several were at various times unprepared for class and made no apologies for making students wait, sometimes for an hour or more. On two occasions, they were unaware which textbooks or manuals were required for class whether they had been ordered (they hadn't!) Similar lapses were, of course, not tolerated with students. I had never seen teachers in ANY setting behave this way before and after three semesters found it unacceptable. I would therefore recommend employing teachers of better character or at least making sure that all understand what professional and appropriate behavior among adults mean.
- Hire teachers that want to help students! I have had teachers that were only there to receive a paycheck. My last semester I had a professor that was also a lawyer and he told the class be did background checks on all of us. The only thing I learned in that class was to hate teachers (and I received an A in that class). Also, the enrollment process at HCCS is horrible for students who cannot register online. It is very unorganized and if anything it makes students NOT want to attend after standing in line for two to three hours just to register. It is very frustrating!
- Counseling process.
- Campus facilities.
- More career options.
- Faculty and staff should care and help more for students' concerns.
- Faculty should use materials like books and facilities more often in class.

- More professors who are hired on as full time, so that they are not only on campus when they have classes (maybe one or two classes a week). Some professors are hard to meet with because of this. Also, a need for more motivated professors who like and want to teach.
- I wish the counselors would be more willing to help.
- Whiteboards instead of chalkboards for easier reading.
- More up to date players for instructors.
- Less air conditioning for Town and Country room 316.
- More lights in the parking lot.
- More class times for certain classes (i.e. Biology 1 and 2, Physics 1 and Organic Chemistry).
- Better classes, better educated and well-versed instructors.
- Better staff worker in financial aid office and counselors. I have been so discouraged by the workers in these departments that I just cry thinking about it. I always get bad and wrong information
- To be a better college HCCS can appoint more staff so that more and more students get educated every year.
- The quality of many of the professors at night and weekends is very poor. We need better professors at night and during the weekends. Thanks.
- Too many changes cannot help development or administration. Rather than calling for change, I would say let the college administrators/executives be able to maintain a clean hand on all the college policies and be exemplary in deed and when needed.
- The standards are okay but let there be a thorough watch over. Again, a clean hand and transparent heart, both to students and fellow staff. This is a call for justice.
- Make sure that instructors are teaching from the books that students are required to purchase so students can study from their books rather than an instructor's lectures. One professor tested just on his lectures only, which did not concur with the books I was required to purchase. The buildings need to be kept in a more sanitary manner. Instructors need to stick to their syllabus.
- Counselors need to be able to ascertain a student's strength and weakness areas, allowing student to make logical choices toward the correct career path.
- Bigger classrooms.
- More security and parking at central campus.
- More accessible computers.
- Bigger library.
- Bookstore needs to keep up with the demand of certain books and classroom materials.
- Better parking.
- HCCS needs better teachers who are not only knowledgeable in their field of study but that also can teach effectively.

- Few classes seem to have enough space for all students, like, for example, in the Alief campus. Smoking should be prohibited strongly (though there is no smoking in class, still near the entrance to the college we find people standing and smoking).
- ESL teachers need better tactics on how they use their teaching methods. We, as non-speaking English students need more practice in speaking the language, reading out loud and letting our pronunciation out in the open in front of people. Teachers are concentrating on grammar most of the time without giving students a better opportunity in developing "our speech." They overload students with homework, which has to do with writing and conjugating verbs. However, we feel when you're in front of people you converse and speak! Someone needs to supervise teachers' methods to be balanced.
- I believe they are doing a great job and the students feel without stress to achieve their education.
- The school board needs to stop changing books at will or random. I got a book for summer classes and after summer the book was discontinued. It hurt a lot because I am stuck with this $100 book that I have no use for and can't even sell the book.
- Don't make so many guidelines for the teachers. Let them teach the way they want WITHOUT HCCS guidelines.
- Update seating especially at Central, parking and be more proactive in security. Also, the temperatures in the classrooms are constantly a distraction.
- I think the counselors need to be better equipped to answer questions about other colleges and HCCS diploma requirements.
- Make sure the people running admissions know what to do.
- Upgrade facilities at Central. Buildings in terrible condition. No lighting at night. Bathrooms in west wing are un-usable or non-functioning (just the opposite of new buildings in Southwest). HCCS must begin with a "learning environment" that is friendly and caring, or faculty and staff mean nothing.
- Student parking is a problem during the day.
- Computer labs, tutorial labs-more.
- Student services need resources-space, technology and staff...they used old computers that were slow. Additional financial aid staff.
- For faculty not to slow down class to help the unprepared or unmotivated students catch up to minimum levels. Tired of waiting for below average students to get to the line.
- HCCS as far as studies, teachers and general staff: clerks, counselors[and] campus police are great. The professional instructors are always available. The environment (best exemplified by the specific teachers) is the best and very conducive to higher learning. I've had the best experience when it comes to studies and getting the needed assistance.

- Some changes should be done on the library. It's too cold.
- At the Palm center...students very rude and unsafe!!
- Make sure the teachers speak English and can be understood during class-a lot of instructors at [this] campus are very hard to understand.
- Enrollment has always been difficult. I paid online my first semester but was still required to stand in the long lines just to get my ID, I had to wait two weeks to get a proof of enrollment form. Other colleges print it out while you wait.
- Big space with more cultural and job duties.
- Improved staff (counselors) to giving more training and supervision.
- A restroom closer to the library!
- A payphone outside the MAIN entrance to the college. I rely on Metro Lift and have to go inside to call to check on my ride-I've missed my ride doing this.
- I would suggest more cultural studies that can be transferred to a four-year university.
- Try to enforce a [friendlier] atmosphere. Everyone seemed to be there to just take classes and then leave. The lines at registration are too long.
- The classroom settings at some of the locations. The best one I've seen was West Loop campus. It made the person feel they were in college and not high school.
- Our summer II Physics class at Town and Country campus had too many students. There was only enough equipment for four groups to use. Therefore, we had more than six students per group. It was ineffective. For a good learning experience, group size should be limited to 4. The physics class, then, should cap off at 16. We had close to 30 people.
- To lower the price of the books because they are too expensive, or just ask for one textbook per class.
- Some of the classrooms need air conditioning, especially the fine arts building. There is not enough space for a cafeteria, and in the lounge area there are only a few tables to get lunch. In general, the installations are very old and some need to be fixed (elevators).

BOARD GOVERNANCE AND ADMINISTRATIVE STRUCTURE AND PRACTICES

- With the exceptions of questions 11 and 12 it is difficult for me (and I believe for most STUDENTS) to respond to these questions. These issues are better known to HCCS faculty and staff.
- My registration did not go right and my refund was not successfully done.

- Online registration helps a lot, but when you pay the person it is awful. U/H has a giant box that you put your payment in and then you mail in your other payment (i.e. payment plan). This is much easier.
- I don't know who the president of HCCS is.
- Be able to pay the course at high schools (for dual credit).
- Announce to students when they are going to have an event.
- I recommend for you try to hire more professional staff to work tables/booths during registration. At least make sure they are courteous.
- Train cashiers and counter help to be pleasant, instead of rude. When people are standing in line for over an hour, a smile goes a long way.
- Student IDs and parking stickers-more "open" hours to get one.
- Last semester they were out of parking stickers for weeks. I never did get one.
- Student IDs and parking office should have access to student info so you don't have to go to the cashier to get your record.
- Limit term for board members.
- Need to see and meet the top administrators and leaders more often.
- Need to have early on campus registration and the staff needs to be more courteous.
- People who work there sometimes can care less if you receive your benefits or not. So you probably need more mature personnel to handle the paperwork.
- I strongly recommend HCCS should change the registration process. Every year, the registration is terrible, because the line is long. It should improve by making the line short. It means more counselors to get the line moving fast.
- Registration is most stressful thing to do. Find better ways for students to register (ex. phone).
- Registration online should calculate senior discount. Instead, I still have to go to a cashier's office to have it deducted each semester. Computer system should be able to calculate my age (from birth date) automatically, and subtract the discount online!
- I really am not familiar with board or administrator structures. I do know that most of the student workers are NOT helpful and tend to have an unprofessional attitude and don't care what students think.
- No changes needed.
- Stop focusing on profit and expansion of the system and focus on making the currently enrolled students more pleased and provided for.
- The counseling place was not adequate last registration. Registration place was at the hall. Also, there were just four or five counselors. I think we need more counselors at registration time.

- People to be more helpful and polite when we (students) approach them for help or advice.
- To have an appointment so we won't have to wait 3 to 4 hrs in line for a couple of questions.
- As far as financial aid, while it is understandable that the process can take a while, the actual visiting time in the financial aid office is exaggeratedly too long. It would be quite helpful if there would be more than one person helping over 25 students that spend an average of over two hours waiting to be helped for simply 10 minutes.
- More financial aid. Counselors are needed during the beginning of registration.
- As far as the counseling secretary, SHE is very unprofessional and has a very bad attitude. Should not be allowed to work with the public (Stafford Campus).
- At the Northline Campus you have to wait long periods of time to get some assistance after you sign in. The staff needs to acknowledge the people sitting in the waiting room instead of just walking in and out. Just go up there yourself; you'll see what I'm talking about.
- I had applied for financial aid but I did not get a proper response and therefore I skipped that and did not go further with that plan. Maybe the financial aid staff could spend more time with the student and explain to them in detail what is to be done.
- The financial office at the Central campus needs an overhaul. The staff may be helpful and courteous. I can never get a correct answer. One staff member has NEVER returned my phone calls or is too busy (unavailable) to speak with me directly in the past two years. I know that the staff might be extremely busy-there should be more professionalism on her part.
- The people who work in this office think they are god of financial aid and some are very, very rude with people. The lack of respect and professional order that commonly is appreciated is naturally overlooked here.
- They are doing a very good job and keep it going.
- Allow all billing documentation to be faxed instead of in-person pickup. I need this for company reimbursement of tuition-VERY INCONVENIENT.
- Online registration does not correctly tally numbers of registered students for classes. Low numbers of registered students discourage other students from registering, resulting in insufficient total number of students for classes to make.
- Board Governance and Administrative Structures and practices at HCCS are excellent, but Financial Aid staff needs improvement. They should be polite and nice with students and should help them to fulfill their needs.

- During registration they need to be more cautious about selecting classes. They tend to always overcharge or select wrong classes. The president needs to be sure the faculty and staff is doing their job and that students are receiving help as needed.
- Quicker responses on basically everything. Friendlier mannerism.
- Everything is good about HCCS except the Financial Aid department. I have been waiting for my financial aid, which I haven't received by now. I have to go to the financial aid department almost every day but the results are the same. They have lost my stuff so many times and always tell me to bring it in again and again.
- I can only speak to my infrequent encounters with administrative staff and counselors during registration process. I would make the same recommendation that I made for instructors. They should be trained to behave professionally and treat students fairly at and consistently. I witnessed several instances of incivility, racial slurs, and "special" treatment. And calls to my counselor for advice on credit transfers were never returned.
- During registration the staff and faculty are very rude and unorganized! Try setting appointments with students to register them. There have been times when I have visited for hours in line to sign up for my classes only to find out that the classes that I was told to sign up for by a rude counselor were full. Please understand that it is not all of the staff and faculty that are rude. But I have had more bad experiences than good. The Campus that I attended was the Stafford Campus so I'm only referring to them. Thank you for your time.
- During the registration process, there needs to be more of a "Can I help you?" attitude. Instead, there is an attitude of annoyance.
- It's hard to reach them, so there's no opinion.
- The entire registration process needs help. The online registration, and check grades system does not work properly. They need to be revised, fixed, or done away with. It is stressful enough without these problems. The administrative staff needs to be taught how to deal with these problems instead of having no idea how to help.
- More lab work on required courses such as English, Psychology and Math. Not enough time during class is in labs and I believe lab and the instruction make learning a little easier and exciting. Questions are answered more helpfully as well.
- Make sure to hire students who are reasonable and understanding, [who] have common sense and that would follow procedures.
- Completely re-staff financial aid.
- Bureaucracy!
- Have meetings with: departmental heads, instructors and students.
- Accept public or general opinion that are vital to both faculty and administrative projection.

- Hire more staff during registration so students won't have to stand in long lines. Hire competent financial aid staff and people with pleasant attitudes.
- Registration, counseling, advising are all questionable in person-other assistance on the phone is impossible - there is never a consistent answer to any question.
- There is too much red tape to go through when signing up and trying to map out a degree plan. If a student travels to a different campus they have to go through and fill out a new degree plan.
- HCCS needs a better registration process. There are too many stops; I think it should be condensed into one, maybe two stops. Takes too much time to register.
- Financial aid staff was courteous, but process was slow. They need additional staff!
- Register online. It was easy, however they need a "24 [hour] help line" during registration times.
- It's impossible to get someone on phone during registration; long lines.
- Consider registration by time, number of hours and program of major.
- Actually listen to their students concerns. Require minimum educational levels of their board and/or administrative structure.
- There needs to be an overhaul of the financial aid process at HCCS-Central specifically. I don't quite know what, maybe cleaning house and starting anew with a new staff. Whatever is now in place is horrible and anyone who says different is looking through foolish eyes. Please, please look into it!
- I would like to be a doctor. My father died but I have always applied for financial aid. Please assist me to receive Financial Aid so that I can achieve my goals.
- At registration get more help; lines are always way too long.
- I would strongly suggest that the administration improve their efficiency, especially at the time of registration. I understand long lines, but not being sent to five different lines because nobody in the campus knows where to direct students for registration. HCCS needs to be more organized and needs to offer more training to the staff. I have been bounced around from line to line every time I have to register for the last 2 years by staff that should know where I have to go. I also suggest their website to be improved to avoid all this frustration and discomfort that leaves you feeling as if you should just stop going to college because it is such a hassle to register.
- In dealing with the chancellor and college president of the system I believe I would need to see them more during community projects. They just need to show their face and smiles some more.
- Expand classes offered during evening hours.

- If the teacher is having a bad day, they shouldn't put it on the students! But everything is ok.
- I would suggest that students have the opportunity to voice out their opinions on a periodic basis to the administrators-also that there will be a tool where students can suggest area of improvement in the running of the school.
- I have no problem with board governance and administrative structures.
- Change the way that the Financial Aid Office operates. It seems that the office could be more efficient than it currently is.
- Make the registration process more organized and speedy.
- To make International Students' payments more easy to pay. Not making them pay their amount in full.

Appendix C
STUDENT SURVEY RESULTS

Comments - Part 2

The following comments convey the students' perception of HCCS and do not reflect the findings or opinion of the Comptroller or the review team.

GENERAL SERVICES

- Lower prices. Buy books back at any time.
- Doing a good job. Bookstore operations are excellent.
- Important books should be noted and made available. The operation should be 24 hours.
- Have longer hours.
- They need to be open till last class hour (evening classes).
- At least stay open until 7:30 pm, two times per week.
- Prices! Prices! Prices!
- Needs more staff to help other people.
- The bookstore's hours of operation need a lot of improvement.
- Staff and faculty could start by being more helpful. There should be other methods of payments as well.
- Better supply of books and other necessary supplies.
- Better organization. Cheaper prices: this is a community college.
- The bookstore prices for the books are too expensive when we sell back the book they (bookstore people) don't even give us half of the money we had spent on the books.
- I would improve the inventory of basic school supplies. The bookstores were always well stocked for textbooks and food items but I rarely was able to find simple basics I needed for class like report covers, dividers, straight edge, highlighters, even plain 3-ring notebook paper!
- The prices are too high.
- The used books sometimes aren't worth anything when we wanted to sell them back.
- Books cost too much. I pay more for books than tuition every semester and have been enrolled at HCCS for three years (full time).
- Longer hours, better stock of supplies.
- Open later so they can close later. Example, 10 am to 7 pm.
- Make sure to carry either "new" or used copies of all books needed for classes.
- More of a selection of food since Central campus doesn't have a food court.
- Books are very expensive.

- Improve their refund policy. It is horrible, horrendous and traumatizing. The refund policy isn't any different from playing a game. Attempting to get back at least 50 percent of your money from buying a book is like playing the lotto.
- Recommendation to return or exchange books after the college re-opens.
- Extended hours of operation.
- Provide men/women restroom.
- To be open early as school opens and close as late as school closes.
- Students receiving financial aid should be allowed to purchase their books at the same time as people paying cash.
- More courteous and helpful staff.
- Books need to be available when needed.
- No backpack policy is too restrictive.
- Need longer hours for people who take night class.
- Longer hours of operation, especially on cash road campus.
- Overall the bookstore performs well.
- Distance education books should be at all locations.
- They are good and courteous most of the time.
- They should be open for as long as the classes are. Some people rush to the bookstore after work and find the store closed. Also, on Saturdays they close at 1 p.m. Now, that really is not good and the fact that you buy a book and the selling price at the bookstore is just [one quarter] of the cost price is a rip-off, too.
- Stress the value of customer service to the bookstore employees. Too much competition to be so indifferent to fellow students.
- Often the books needed for classes are not available for the beginning of the semester. I would recommend the bookstore be more attentive to earlier book orders.
- Longer hours would be nice.
- Lower book prices.
- Bookstore financial aid office needs to use the same computer system.
- I'm always able to get what I need, but I have heard stories. The turnaround on books (when they are out of a particular book) is really slow; can take up to five weeks, but other than that it's okay. The manager is really great and knowledgeable.
- Put more books in time.
- Get better helpers!
- I have had a good experience at the bookstores.
- Bookstore hours should be convenient like open late at night and better food services [are] required.
- Tie in the computer with the financial aid office so there is no delay in registration and getting books. Now have to wait 24 hrs, go back and straighten it out with financial aid, make more trips to handle business.

- For Southeast Campus the bookstore could use an expansion to better serve its growing student body.
- Need to consider amount of students taking a course and order books before they run out. I had to wait two to three weeks into class to get some of my books.
- Bookstore hours should be open when first class begins each day.
- Hours of operation should take into consideration the students who attend classes in the evening.
- The hours should be extended. Adequate amount of books for popular courses; employees should be more helpful.
- Extend operating hours during weekdays.
- The bookstore has to carry enough books.
- More check out lines!
- To be more helpful; also more informative.
- I think they should be open on Fridays.
- It would be better if there [were] a special room for the food, because it is always a mess when the classes start and everybody is packed buying books and getting food at the same time.

GENERAL COMMENTS

- For the most part, all of my professors have been excellent. It makes me wonder how an institution like HCCS-with its enormous load of administrative problems-can retain so many over-qualified instructors.
- I am overall satisfied with HCCS.
- More tutors for free!
- More parking lots.
- Security in parking lots.
- Cafeterias.
- A dance classroom at the art building.
- I enjoy studying in HCCS because it is close to my home and flexible schedule, and the officers are very helpful, polite and effective.
- My sister is at a 4-year university in Tennessee. She never received any information from HCCS, even though she was a dual-credit student. I think I would like HCCS to communicate with me about what courses are offered, as well as what degree tracks. It's too bad no one did that for her. I would have liked for her to have stayed in Texas, at least for a while after [high school] graduation.
- I had exceptional professors at HCCS including one in microbiology and DE government teachers. I think it is a good school. The Chemistry department needs help. The aesthetics at Central campus are pitiful in comparison to other locations. It is not right that the central students pay the same tuition and are in those old, damp, cold, and dirty classrooms.

- Restrooms are always in poor condition in Northwest campuses.
- Parking lots and facilities are inadequate and in poor condition in Northwest campuses.
- I was a night student. Would like to see better tutoring options (Math).
- HCCS is currently providing a good education with good instructional staff in well-equipped space. At Central campus the lack of student meeting space and informal eating and drinking areas degrades the experience. Space needs to be increased. The buildings and cleaning service reflect an overload of demand and this is not going to make it easy to maintain decent standards.
- HCCS has the best microscopes I have ever seen at a community college.
- Restrict the private and the personal use of buildings, facilities etc. by board members.
- When it comes to registration and admissions, it would be wise to have the same rules and policies enforced in all locations. For example, residency. Because from my own experience each campus enforces them differently.
- Bookstore needs better time management
- Bookstore needs to check dates on the products for sale.
- Need a facility where students can go to hang out.
- Need better vending machines.
- Improvement needed with student parking.
- Need more tutors everyday in the tutoring room (esp. science classes).
- Offer more diverse courses (French, German, Russian).
- Phones and pagers need to be banned from testing centers ENFORCE RULE!! Bathrooms at night (Westgate Center) are not clean.
- Transferring transcripts takes forever and have to request more than four or five times. Actually it's easier for students to just take and turn in. Counselors are really unprofessional (most of them). During registration time, they are not helpful or eager to advise. Staff is rude, too. I've been attending HCCS for about 2 years and I've never felt that they're friendly or helpful. Posting payment time should be extended.
- HCCS has been a great place for me to take computer classes to learn new skill since 1990. HCCS-Southwest should incorporate Microsoft .NET into curriculum, in addition to Oracle. The biggies now are .NET, JD Edwards, Peoplesoft, Oracle, SAP, Business Objects. Employers are demanding these skills for hiring in the information technology (IT) world. We need help to find jobs in Houston IT. Thanks for this opportunity to provide input.
- Overall, I love HCCS and wish I could attend for all four years. Most of my instructors have been excellent and I value the smaller

class sizes and interactions. I think the attendance policies are a bit ridiculous for "adults" paying for a class (a little like high school) and there does seem to be some pretty major inconsistencies between campus instructors but this also adds diversity. It would be nice if there was dining on-site instead of just vending machines, too. Also, I think there may be programs that students aren't made aware of all the time. I also think instructors should see their reviews so they can use students' comments to improve their teaching. The counselors need better training-they often give incomplete, unhelpful or incorrect information, especially regarding degree transfer. I did not find the career counseling helpful either. Still, I have to say I like HCCS and find the classes enriching and just as good or better than those at UH.

- Nothing major. Good job!
- I am very pleased with everything that HCCS has to offer.
- I am a part-time evening (evening) student trying to improve my computer programming skills. I also live/work on the far west side of Houston. Programming courses seem to be concentrated at the Central Campus/Stafford/Westgate. I've taken a few classes at Westgate (and would like to take more). Unfortunately, many of the more advanced classes are held at Central/Stafford, which is inconvenient to difficult for me to attend. If possible, I would like to see more advanced classes rotated to the Westgate Campus or provide more distance learning opportunities (perhaps even closed circuit TV). Thanks.
- Excellent, no improvement.
- Improving physical (central campus) environment would allow students to take pride in the school and would encourage study habits. Many more on-campus study areas (SILENT) would be additionally useful (i.e. more isolated booths such as those in the library at Central Campus).
- For what we pay, parking should be free at the Coleman and there should be more handicapped parking on the side of the building.
- Free extra tutor hours.
- I would like a teacher certification program at HCCS.
- During registration more counselors need to be available to assist students. Students need to wait long periods of time to get their classes approved.
- Financial aid office needs to make drastic changes to assist the students in a more efficient manner.
- The Texas Grant II should have more money available than what it currently has to assist more students. The current 2002-03 years according to figures from HCCS Northeast there were only about $4,000 available under the Texas Grant II; an unbelievable figure. Money available under Texas Grant I, which was millions of

- dollars unused this year by high school graduates should be available to qualifying students.
- Overall, HCCS is efficient and effective enough for me. HCCS is above some other community, junior colleges and the University of Houston.
- Offer health-related certificate programs.
- To make appointments with one specific counselor so you wont have to repeat your story ten times and so you wont have to wait three to four hours.
- To have someone show you the classes [for] your major or [give] advice.
- Overall, HCCS provides a good opportunity for transfer students to take core curriculum classes; however, with the increasing tuition, students may feel it better to go straight to a four-year university, simply because the tuition plus books is not that drastically less than the local university.
- Also, while the teaching staff is good, it would help if the management of the building would be kept up. For example, an air conditioning unit should not be leaking water to the point that class has to be moved to another room, nor should there be flies and foul odor in a classroom constantly that, again, causes the class to move to a different room.
- I have been to Town and Country, Pinemont, West Loop and Central. I took my first class at Central this semester. Central Campus is dirty, smelly and dusty. It needs major remodeling. I dropped my class there because I could not stand it.
- All I know about is computer classes. Right now I would like to see more lab time. By the time the lab times were posted, a week later they cancelled one of the labs leaving Tuesday as the only day you could go.
- Improve parking is a major point. Then improve classrooms size.
- As far as financial requirements if a student has met the hours required for financial aid but not met the total required hours toward degree there should be some type of assistance program for these students who financially are unable to pay for the remaining classes.
- Allow more hours for work-study students or a greater pay rate!! More work study job options for the Stafford campus.
- I am taking HCCS classes through HFD. This is not applicable to my situation and is a waste of both of our time.
- Improve financial aid service.
- Major need of a CAFETERIA!!
- A good and large parking area.
- Shuttle service to college
- Courses performed in office central should be carried in other colleges in HCCS abroad spectrum.

- Developmental courses should be considered for TASP.
- Fees per course should be reduced to enable students to register for many courses.
- Students should pay the same amount of fee [regardless of] which country they came from.
- Special attention should be paid to [older students], ages from 35-50 years.
- Food store should operate 24 hours.
- Medical facilities should be available on campus.
- The customer is the student. It is necessary to enroll him/her to the most important decisions at HCCS, so I believe it could be relevant to form group leaders from different countries or regions for using their experiences, expectations and needs. Thank you.
- There needs to be sports facilities for students, more food services (restaurants or cafeteria at least). There are no textbooks at the library. Sometimes we need to study from our textbooks at the library. The parking lots need to be enlarged. Not enough activities such as theaters.
- I wish that I would not be jerked around by HCCS Financial Aid office (Central Campus) It is very discouraging. I am transferring to University of Houston since I must pay an out-of-district fee for my classes. I will be paying basically the same amount at University of Houston. Also, I can get some straight answers, especially with the use of my educational awards through Americorps. Thank you for your time.
- The new vending machines near the gymnasium are great and wonderful! More microwaves in that area would be more helpful. Considering the level of students trying to use one microwave is absurd. I will take a non-operative microwave to the "repair program" that should be in place. Here at HCCS-Central, there are classes to take that teach you to repair microwaves, refrigerators, etc. I am taking the microwave there letting them repair it if they can. After the repair, the microwave will be donated to the snack area near the gymnasium.
- One of the most important and current demands of the student body is for use of computer labs. Hours need to be longer and on weekends. Software on computers needs to be available. Also, reason stated for limited hours of operation is too expensive overhead. Consider smaller labs, dispersed locations and/or separate partitions of existing buildings without having to have building operational.
- HCCS should provide the students with good Food Service. For example, they should make a small café or restaurant in every campus. I strongly recommend that HCCS should do something about food services.

- Making the school look more like a college campus. Make student lounge area better like have sofas, picture. Make it pleasing to the eye. Maybe put couches in the library to maybe have a café so students can get something to eat or coffee but make it reasonable prices.
- Just the Financial Aid office and the Campus Police need major improvement.
- Thank you for the opportunity to complete this survey. I initially chose HCCS to pursue a two-year degree before transferring to a four-year university. As an older student, I had previously received a degree and completed coursework at two universities and another community college so I have basis for comparison.
- I attended HCCS for three semesters and took classes at three campuses. I found that all the facilities were nice, libraries were great and students were friendly. I did encounter difficulties with some of the instructors and staff as noted above and do not plan to complete my degree at HCCS.
- There is not enough information available for international students and the staff and faculty are not aware of programs, careers, classes and different information about the institution.
- There is no good information center at all campuses, and sometimes it's too far to go to the main offices.
- Most of HCCS' counselors are horrible. I've dealt with a few of them in the past. Every time I needed a question answered or needed advice, they would clearly show disinterest and make it seem I was being a burden. In fact, one lady told me she didn't have time to give me an audit of my grades. They also give you wrong information. For example, I haven't taken Economics 1 yet, but she went ahead and put me in Economics 2. I could go on and on about the poor assistance MOST (not all) of the counselors provide.
- I have never used the bookstore. My registration has been completed via the computer. Since the classes I was taking were for a certificate, my classes were all taken from one instructor. My classes were five weeks. I have four classes out of six classes.
- Instructors need to be screened more closely. Need sit-ins in/during classroom instruction.
- Get better workers for Financial Aid. The workers are very rude and give bad information.
- It is difficult to find some classes at a nearby campus.
- Some classes are only offered at very inconvenient times.
- One class requires for my major was offered on Saturday morning with a very poor professor. Ex. Federal Income Tax.
- Houston Community College System (HCCS) being effective/efficient should add to its programs some department such as law, architecture and International Management and be

able to maintain proper standard by running smoothly all engaged courses provided and scheduled by HCCS in order to enable students in such areas and chosen fields to complete their courses without setback.

- HCCS should also add or increase Financial Aid amount to eligible students as there is an increase in course fees and tuition and other supplies and books.
- Another good thing is by improving material equipment and cash to disabled students through the Disability Support Services office.
- More hours in the GED class. We just don't have a full day! To learn more would be helpful. Thank you.
- Northeast (I-10 at Mercury) needs more parking spaces at cafeteria.
- Financial Aid checks should be processed more quickly to assist students with necessary items needed during tenure!
- At HCCS we need a little higher academic standards.
- Classroom lectures should use the same terms as textbook. If this is not done test should reflect lecture. Don't give a textbook test but lectures are totally different.
- Overall satisfied with the college.
- It would be helpful to know that student concerns are actually listened to and taken into consideration instead of taken as a nuisance.
- Board needs to provide monetary resources to build and remodel facilities at Central.
- Adequate staffing for student services.
- Enhance current computer system.
- Notify student if credit card payment was accepted or not.
- Mandatory email to notify students of cancelled classes and withdrawals for non-payment.
- Require proficiency standards of their faculty in the subjects they teach.
- I enjoyed my time there.
- Students who apply for financial aid should be considered if they are seriously in need of it.
- Admissions couldn't find the course even though I showed them a published flyer.
- "Information Desk" always has less information than I had.
- Classrooms often had conflicts. Out of eight sessions, two had classes scheduled for some classroom.
- Housekeeping was running vacuum cleaners and polishers during evening classes.
- HCCS would be an outstanding community college if two things were adjusted. One their help in the bookstore, during registration (and generally overall) was improved. Most of the people I have encountered have been rude or did not speak English very well.

Second, their instructors. Get instructors that speak English here! Half of my teachers I have had since 1998 don't speak English very well!

- HCCS should offer more classes for evening students at campuses other than the Central campus.
- My husband and I are both 60+ with college degrees. We are both involved in the instrumental music program at HCCS-Northwest. We are not familiar with most of the strictly academic programs or faculty.
- The music faculty with whom we have had contact are all outstanding, in teaching skills and professional credentials. The faculty for small group and private lessons could be better- including proper chairs for student musicians, and classroom space.
- Financial Aid office has better and timely handling of the refunds.
- To inform students about careers, helping students with the class they need to take.
- As far as the extra-curricular activities there needs to be a better system among the presidents of the activities/clubs and their peers to better improve the membership. Therefore improve funds for these clubs.
- The Central campus, although the oldest in the HCCS system, totally needs a renovation job and better lighting. Central is pretty gloomy with the dim lights.
- Although financial aid is like being on welfare for most students (that I totally appreciate) I feel that customer service could be improved by listening to the staff's ideas and suggestions yet not only that but definitely the suggestions of the students on this welfare (financial aid). Thanks for listening to my complaints.
- There is a great need to expand courses offered during evening hours, Monday through Friday.
- I attend the West Gate and Town and Country location. I am pleased in the faculty and staff; they are well informed and well balanced. I must, however, mention that I am a little disappointed in the restrooms' cleanliness. I always have to clean the seat and "dodge" tissue on the floor at both campuses. I might say they are indeed in need of attention more often than previously scheduled. One other item I would like to mention is smoking areas. At West Gate the location for smokers is clearly stated and enforced by fine security and HPD; however, at Town and Country the "No Smoking" area is bombarded by smokers. I seek areas outside that are "non-smoking" and find this area repulsive with smoke. Thank you for your time and consideration. P.S. HCCS is a great student facility and I am proud to claim status here.
- I would like to see that accessibility and openness towards a student is met whenever a student has concerns or problems with

an instructor. For now, there is no SPECIFIC process whereby a student can conference with an academic dean or chair of a department, so that the student's problem regarding a finished class is met with all considerations. A lot of teachers seem to believe that they are the final authority in matters concerning student course work and grades. At times, I have noticed that some instructors use bias as a basis of passing out student grades. We should have a process where more than one party can judge INDIVIDUALLY a student's course work and then, based on their combined recommendation, the student's grade can be adjusted, as befits the quality of work prepared.

- Better switchboard advisors when you call the school.
- I believe the facilities at the Central Campus need to be improved.
- Facility of payment.
- Ask for less textbooks or lower prices.
- Not change the textbooks so fast.
- Have more activities.

Appendix D
PUBLIC FORUM COMMENTS

Comments

As part of the Houston Community College System (HCCS) performance review, a public forum was held on October 28th, 29th, and 30th. Members of the public were invited to record comments they have regarding HCCS. Community members and staff who participated in the public forums gave their comments about the 11 areas under review. These comments illustrated community and staff perceptions of HCCS and do not necessarily reflect the findings or opinion of the Comptroller or review team. The following is a summary of comments received by focus area.

I. Governance and Leadership

- This area is very good.
- HCCS lost a tremendous asset when they lost the director of Governmental Relations. She knows her stuff!
- Some institutional policies and procedures are listed in the catalog.
- The system is top-heavy with administrative positions.
- The planning process should be communicated on a regular basis to the community.
- There is no formal process for notification of changes in institutional policies and procedures. Usually one finds out when a procedure is not followed based on new change.
- Legal services are not adequate.
- We have far too many administrators. All we as faculty hear is that there is no money for development, new instructors or travel. Every time we turn around a new high up administrator is hired. Students' needs appear to be superfluous.
- Too many directors report to deans and vice chancellor's - money could be spent in other areas. With the creation of more and more dean levels comes more staff, and resources are then depleted from funds for academics, Workforce Development and Student Services, Instruction and Academic Support.
- The lack of leadership is overwhelming. However, I feel there should be an avenue for leadership enhancement such as institutional classes facilitated by the associated institutes. The opportunity to take leadership roles is not publicized, and it should be. Provide opportunities for community involvement by awareness at all levels.
- When board policy is changed in any way, employees are generally not notified. Also, certain procedures will be applied for administrators, but not for staffers. An example is lateral transfers.

Administrators are allowed to transfer laterally from one position to another, from one college or another; however, staff is not allowed to. They are required to apply for the same position at another location. Why are administrators an exception while staff is not?

- The role of the executive team is questionable. Review the matrices for decision making over the last two years, and you will note a pattern of issues that remain unresolved for large periods of time. The chancellor's office has very weak linkages with their vice chancellors. They often make decisions in isolation of the colleges. A good example is the area of facilities and finance.
- Are there too many leaders and governors? Board policies are not followed. Our administration finds ways around all of them.
- Colleges need an administration that will actually make decisions and work for the students. Too many deans are not making administrative decisions necessary for the whole division to work smoothly and productively.
- Overall the leadership is good. Most leaders are dedicated, knowledgeable, and thorough, with open access to discuss concerns, achievement, etc. The method of some leadership selections is not very good. Selecting of chairs, assistant chairs, works more reliably with supervision, interviewing candidates, etc.
- The good work happens in spite of governance and board policies, not because of them. The micro-managing, lack of knowledge, and personal agendas of board members and other leaders are the greatest hindrances to the quality control at HCCS.
- HCCS has gotten better at planning but still has a long way to go regarding implementation. Institutional policies and procedures need revision. Organizational structure is top-heavy at 3100 Main while the colleges are undermanned. The colleges need many more faculty members, financial aid employees, and counselors - while 3100 proliferates jobs and secretaries. This is very demoralizing for the colleges, who are struggling to get their work done and their students appropriately serviced.
- It has become apparent that the governing board has, in purchasing and other decisions, usurped administrative functions that are not in its proper sphere.
- There is too much administration. There is little support from 3100 Main to the colleges. Too many decisions are made last minute at the executive level (executive team meetings) without announcing and letting executive team representatives go out and get feedback.
- The vice chancellor of Educational Development does nothing.
- We have a Board of Trustees member that is fond of referring to the fact that they were elected, while the employees of the college were selected. Yet several of the HCCS Trustees seem to have little understanding of what a college is or ought to be and seem to

view themselves primarily as political figures whose constituency is the voters that elected them rather than HCCS and the community which HCCS serves.

- It is still not clear to me what advantage we get from separate organizations for each college instead of one central administration dealing with campuses. To me it seems less, not more, efficient.
- Upper administration should not lose the focus on the educational mission of HCCS. HCCS is an educational institution, not a business institution.
- There are board meetings going on most of the time deciding different policy measures to be taken, which is good for the HCCS system.
- The board should work closer to faculty, staff and students and be more interested in college functions and student learning than in their own constituencies, their self-images, and their egos. Upper administration is finally coming around in working closer with faculty and staff and listening to their concerns.
- Faculty and student staff representation on the chancellor's Executive Team is positive. We need more faculty participation on committees related to policies and procedures and issues that have a direct impact upon faculty and students. The board is much improved in public meetings.
- Board policies on out of district issues are inconsistent with student population and needs.
- We have a couple of board members who only care about their districts. They treat faculty and administrators in the rudest manner. They remind me of 19th century bosses who state, "Ain't I got the power"!
- Unfortunately governance and leadership is often difficult to understand. Directives are handed down from the 12th floor of 3100 Main, and generally there is no explanation. No one asks the people in the trenches. We are asked to implement things that often don't work.
- There are huge problems. The board and chancellor make entirely political decisions. The colleges are not funded fairly (according to actual population and revenue generated). The board is not interested in the welfare of the students or the college - only in their own political agenda. This college desperately needs 1 or 2 "at large" positions so that the entire system is represented. The clear bias of this board is known throughout the community. It reflects very badly on a fine school. The top structure seems to those of us on the ground to be excessively heavy - way too many chiefs! Student services keeps getting bigger and bigger, but students complain about financial aid, poor academic advising and difficulty in dealing with the cashier's office. Different standards

(class size and funding) are applied with vastly different standards at each college.

- Since we are an out-of-district college, we are constantly asked to make do with less. Colleges that are in-district get everything they ask for, even though they have far fewer students to serve. We are one of the larger colleges and yet have to stand with hat in hand. One of our Hispanic board members constantly attacks us because we are in the rich part of town (this is her perception and has little to do with reality, but let's not let facts get in the way of their distaste for Anglos). We have to beg for every piece of equipment we get and every piece of technology we receive. A few board members never miss the opportunity to tell us that we don't deserve anything.
- Southern Association of Colleges and Schools (SACs): The rank and file still believes that a) the board is too involved and b) the board is driven by agendas that have little to do with the well-being of HCCS. Their intervention in the areas of planning and development, beyond their mandate of oversight, is genuinely damaging.
- The system is too centralized and is causing a "bogging down" of processes with one level of authority. Processes must be decentralized with appropriate authority to get the colleges functioning at optimum level. It is difficult to get approval/disapproval on the smallest items as well as the largest items. Decisions are stagnated causing problems (i.e. staffing, programs) at the colleges.
- Hire a consultant to review our policies against other exemplary Texas Community College's policy manuals. I suspect we could learn something from the "old-timers." HCCS separated from HLSD in approximately 1989, which means we have not been on our own two feet for very long, and it shows. This is possibly due to the revolving door on the chancellor's position during the past decade).
- The board is involved in reviewing management. There is a lot of internal bickering and racial friction that hinders many programs and the ability to work with the community.
- All college-wide institutions must have the active, continuous and full support of the chancellor or they will only get lip service and fail. Follow-up is essential.
- For the first time in several years, the HCCS board has come together as one. In addition, for the first time in many years, it feels that the board really cares about the institution as a whole, in particular its students. Unfortunately, the institution is governed by non-exempt personnel and secretaries who have little or no experience in management. The organizational structure is still top-heavy. We often wonder if Presidents are needed at each

college. There is too much competition among colleges and although competition is good, in our case it's not.

- It would be good if the HCCS Strategic Plan, Institutional Effectiveness Plan and other similar documents were streamlined so that they would not seem to duplicate some information common to all of the documents.
- HCCS grew from a high school. As a consequence, or at least I've heard it offered as a reason, HCCS lacks coherent and comprehensive policies and procedures. This results in inefficient, inequitable and counterproductive actions.
- The board is overly involved in the day-to-day running of the school, often deciding on the vendors that the school chooses and interfering with operations.
- The organizational structure seems top-heavy. There are administrative areas for which little need can be seen from the trenches, and there is often no support for things like teaching positions. There is a huge disconnect at present between the chancellor/board and what goes on at the colleges, not necessarily because of any fault in an individual or individuals. It is most likely geographical in origin, but it is a problem.
- The presidents at HCCS think that they own each individual campus and they operate them as such. They do not know the day-to-day operations that take place at their campus, nor do they care. I would like to know why we need to pay five presidents a lump sum of money to do nothing. There is no cohesion between the system office and each individual campus. I do not think that we need them. No other community college system has presidents. We should have deans or vice presidents at each campus in order to have uniformity throughout the system. There is too much disrespect between the presidents and the chancellor. This system will not be effective unless they realize that the chancellor is the leader. College operations officers (COO's) do not do what they are required to do. They are too busy doing things that are not prescribed in their job descriptions. Unfortunately, they too want to run the college.
- The tendency of some members of the board to advance the interests of their district at the expense of the healthy development of HCCS as a whole is a serious challenge to HCCS's viability as an educational institution. Trustees must adhere to the view that HCCS cannot provide quality education to their individual neighborhoods unless it is a quality educational institution in general.
- A reform carried out by a past administrator in the mid 1990s has yielded a lot of fruit, in my view. That is the replacement of a thin layer of low-level administrators (called "coordinators") by a cadre of faculty department chairs who are selected by their colleagues.

This organizational reform has kept the faculty involved in academic governance at a time when enrollment and faculty hiring has expanded rapidly.

- The current HCCS administration (chancellor and vice chancellors) tends to want to control rather than guide all the critical discussions, especially those that deal with budget and staff.

Appendix D
PUBLIC FORUM COMMENTS

II. Instruction and Academic Support

- There is excellent instruction and academic support provided to HCCS students.
- Library Research is good. Most of the instructors I have encountered are pretty good.
- Program evaluation is excellent and continuous.
- This is better in Texas than in New Jersey, the state I come from.
- The faculty, librarians and chancellors are doing a great job all across the colleges.
- There are many fabulous instructors and programs at Central College.
- The system has excellent instructors, programs, etc.
- We have great instructors and good class sizes. Chairpersons do a great job of delivering good instructors.
- HCCS provides instruction and academic support for faculty. There are a myriad of opportunities for student and faculty professional development.
- I am both an instructor here and a student, so I share knowledge from two sides of the desk. Keep faculty informed.
- There is a lack of support for Workforce Development. Issues are not fully understood by top administration.
- We have great teachers but not enough. Administration is more interested in increasing class average than keeping classes at a level that helps retain the students. Teachers are extremely underpaid.
- The dean of Academics has been supporting faculty so students achieve success in their academic fields.
- Faculty is too fragmented. Part-time faculty members have no offices and no computers.
- PLATO has some good points, but a lot of the material frustrates the students because it doesn't correlate with text. Also, if the instructor has problems with PLATO (not that any of us would admit to this), imagine how the students feel.
- I feel this department is meeting the needs of faculty and students. Faculty members would appreciate more academic freedom in teaching some subject matter, but over all things are acceptable.
- Workforce Development: Study this area carefully as the HUB concept has been difficult to implement and very costly. In addition, the quality of standards and support for each HUB area is not consistent from college-to-college or program-to-program.

- Instructional - Academic: There are still many issues to address regarding abuse of overloads by faculty and inconsistent evaluation measures for faculty accountability. In addition, the disciplinary committees continue to behave with attitudes that "exclude" participation of a diverse faculty workforce. If you study the program areas, you will find that each college has a piece of something. However, rarely do programs, such as teacher education, communicate the opportunities at HCCS.
- I would like to have some other program to develop math aptitude for algebra level coursework. Is any effort being made to replace the PLATO computer math tutorial?
- Instructional Support is good; however, we need a way to obtain needed resources in a faster way. In addition, technology support personnel at the department level, as opposed to the system level, are often slow to respond to requests for repair.
- Academic and Workforce Development deans need more assistance in supervising the large number of departments and special programs. Dual credit programs are extremely time-intensive to originate and manage. They take up a disproportionate amount of a dean's time. The departments should be configured to reflect equivalent work for each chair. However, some chairs have more work than others even though the Chair workload formula is supposed to even things out.
- With the decentralization of the colleges and the reorganization of the departments, Sociology, as a discipline, was put with larger departments that are not well matched for the students or the faculty. As a result, all power, all chairs and all voices of the discipline of Sociology were lost and silenced! Consequently, the Sociology discipline should be reorganized and restructured with more suitable departments in which sociologists have more say and power over their own discipline. This should be done ASAP! Also, the chairs in all of the disciplines should be evaluated by the staff and faculty. Also, chair positions should be chosen on a rotational basis only and not by a competitive vote that causes conflict and hatred within the departments. The position of chair should be rewritten to be more team oriented, and they should be facilitators rather than holding positions of power over the faculty.
- Our faculty members, both full-time and adjunct, are outstanding. I believe that Central College has the best staff of all five colleges. We work hard, despite the physical surrounding, to maintain a high level of instruction.
- Great faculty! They need to be compensated for the work they do. However, all faculty members should be required to have extra-curricular activities, whether it is with students or meetings, to improve instruction.

- The SE, NE and Central Colleges could be joined. Some academic programs could also be turned into a HUB (dance, art, music). Ten percent of the faculty members do 100 percent of the extra work.
- Instructional and Academic support needs more full-time staff.
- There should be increased respect for adjunct personnel as well as a pay increase to meet state standards.
- Full-time and part-time faculty members have worked hard with little support to provide students with high-quality instruction. Most academic chairs have worked hard to staff and schedule courses that lead to consistent growth in enrollment.
- I think HCCS NW College has very good instructors. They give proper instructions and use different tools, such as Web sites and laptops, to enhance the learning skills of students. Thus, overall academic support is good.
- I think that all teachers should be required to have office hours, even if it is not their home campus. I also don't think that our grading system should be so black and white (1,2,3,4). If a student gets a low A, they will not try as hard to get a high A. Also some students get an 89 but get the same point as someone who gets an 80. In many classes I take, I achieve an 84 or 85; however, all I get is 3.0. I wanted to transfer into a school that requires a 3.2 in classes and other systems, and 84 is a 3.4.
- I think the school is doing a good job. I think that more emphasis should go towards the teachers who work on a daily basis with the students to obtain their goals. I am only here for basics so there is not a specific area of interest I can comment on.
- Instruction is a major strength of HCCS. Faculty members are well-adjusted and receive positive feedback from students. Students do as well or better at 4-year institutions after transferring (THECB College/University document).
- The high-technology fields such as physics, geology, chemistry, biology and workforce technology lack the cutting-edge equipment necessary for effective instruction.
- I'm very satisfied with the progress made in this area. However, there is a real problem with the allocation of space. Some departments have more assigned rooms even though they may offer the same number of sections as a department with far fewer rooms.
- I am a film student here at HCCS, and I have been really impressed with the program. I have learned a lot and made a lot of connections that will launch my career in production management way before I graduate. The professors are very knowledgeable and helpful. It also helps that they are and have been working professionals in the industry. Some professors have been the most helpful. I will truly sing their praise. The only problem I see with the program is the lack of funds available! For example we are

shooting a student film for our project, and we only have a $250.00 budget! Seeing that I have spent out of my own pocket over $1300 for the classes alone I think the school could do better than that. Our budget seems a little ridiculous. We could also use better cameras. At this time, we only have one good camera and that is our 500U. We have other cameras but they are cheap and run of the mill. They are consumer grade, not professional. The program is impressive though. It is fun, and the professors are helpful. I am learning what I need to learn and it is an overall great learning experience. This program is what Houston has needed. From what I hear, talking with other students from other schools taking the same programs, we seem to have the best film program. We also could use more computers for our editing program. It is a little ridiculous having 20 students cram around two computers to try and learn how to edit. So basically I am impressed with everything except our budget, and our lack of quality equipment. Improve these areas and it will be bar none the best around. As far as the rest of the school, I don't know enough about it to comment fairly, but everything else seems to be fine.

- Pay instructors for adjuncts based on performance and seniority. I have taught for HCCS as an adjunct math instructor for 5 years with no raise in pay. This would also enhance retention of adjunct instructors.
- They should hire more full-time instructors, and chairs should not be at the second interview particularly when the dean is a professional in the field for which the job is advertised. More minorities should be hired for faculty positions.
- There should be overhead projectors in each classroom. Accounting classes need more access to computers/labs.
- Faculty needs an improved transfer policy, which in turn could reduce hiring costs.
- More full-time positions for faculty and fewer adjuncts are needed. This provides better access for students to see instructors. Full-time faculty members are more secure. They have insurance, steady salary, etc.
- Instruction is where the real strength of the institution lies. It is amazing that instructors get into the classes and give 110 percent even when much of administration treats them like they are an imposition. My hat is off to the faculty. They are not well compensated but they keep fighting the war to educate their students.
- The organizational structure is ok. This college is painfully top heavy. More and more work is channeled to the department level, but we do not have adequate staff at TCSC. Faculty is generally excellent. The library is not responsive to the needs of special

discipline areas, such as music and art, but it seems to operate smoothly.

- We need more laboratories, microscopes and materials.
- Our libraries are inadequate. They are simply not college level libraries. Book collections are minimal.
- I am proud of the school in their decision to open a film program. I hope the program continues to grow.
- It is a really great environment for learning. However, they need to improve on tutoring. There should be more tutors for science-related fields.
- Overall I think HCCS is a pretty good school. However, I do think that some of the teaching staff is not up to standards for teaching college level courses.
- Instruction, especially Workforce Development, is one of the things that HCCS does quite well. Workforce Development instructors are dedicated, highly qualified and one of the best-kept secrets in Houston. Course Scheduling, etc. are things that are primarily handled through the leadership, and our leadership needs work.
- Workforce Development is developing, but needs improvement. The comptroller's office should speak to the compliance officer to obtain a list of exemplary compliance practices (not programs) and develop Best Practices for Internal Compliance Protocols. She is very efficient and effective in this post. She is also underutilized. System administrators should be re-evaluated for ethical behavior with respect to grant compliance.
- The person in charge of Life Skills and her program at Central College should receive more money and more administrative support. The college is getting 3 for 1 - an exemplary program!
- We need to recognize instructors more frequently and publicly (press releases, especially to community newspapers due to diversity/size of city), and acknowledge them in the school newspaper - we don't nurture them enough. I have always been impressed with the quality of our faculty (and I am not an instructor). Most of them are committed to their profession.
- Workforce Development and growth are very limited due to revenue being channeled from successful programs to unsuccessful programs, thereby rewarding poor performance and handicapping well-run and well-attended programs.
- I believe that there are too few technology classes being offered. It is hard to complete your major in the technology field. All they offer are first level courses. There are hardly any advanced classes.
- Schedule courses at times and sites where student needs indicate. If needed courses aren't scheduled logically, students tend to drop out.

- The organization is too flat and managers have too little authority to accomplish their objectives. Budgets often range from restrictive to ridiculous. They can't possibly run an effective department on the budget allocated.
- Several NE College English teachers have their articles published regularly in scholarly journals, and one has had several plays he wrote produced on stage. The NE College developmental education faculty members have received many awards statewide and from professional organizations. They have implemented the newest methods of teaching developmental students.
- The NE College library staff is very qualified and students compliment the librarians frequently. The library and tutorial lab at Northline Mall is open seven days a week, and this includes the computer Lab for students to use. The NE College has tutorial labs available to students in all academic subjects: English, reading, math, science, and social sciences.
- The NE College academic faculty is well qualified and works with students cooperatively. Students compliment the English teachers, the history teachers and the dean quite often for their willingness to assist students individually.
- The NE College science faculty has assisted in writing several grants to provide tuition support for minority students in the College. The NE College math faculty members volunteered to use some of their own time (about two extra hours per week) to tutor developmental students and are giving TASP test review sessions right before each official TASP test.
- The school is looking, or has looked at, organizational structures more reactively than proactively (for example, the HUB situation, human resources, benefits, etc.) HCCS lacks strong leadership. The vice chancellor of Workforce Development is ineffective, incompetent and a hindrance to the growth potential of workforce problems. He knows very little of this large and important area he governs. Workforce Development accounts for a large part of the instruction given at HCCS. It is also vital to the future of Houston. Yet most of the people who make decisions about this department have very little experience with workforce education. Consequently, many of the decisions they make negatively impact recruitment and retention. Workforce Development is not representative of the executive committee and has no true advocate. Many of the decisions regarding instruction have to be "remade" because workforce issues are not considered.
- If you work with a good administrator, the system is pretty effective. We have some very competitive people in management at Southwest College. Faculty is given a great deal of responsibility in curriculum development, which is good.

- Faculty is one of the strongest parts going for the institution. Some of them have a distrust of the administration caused by the previous chancellor's dictates. A priority for all should be rebuilding the trust level. Quality and dedication of our faculty is tops!
- There is not enough system support for our instructional programs in spite of the fact that many are excellent and they are the heart of our fulfillment of our mission. It is my belief that the organizational structure set up originally under a previous administrator and partially continued to the present day works well for students and faculty. Students have a nearby and well-identified place to go when they have concerns with classes, teachers and personal problems as they intersect with academic performance.
- There appears to be a real disconnect between the faculty and central administration. At least that is the perception of many faculty members who lament the lack of understanding that the academic program should enjoy greater priority than it does. Some feel that Student Services enjoys a more important role than the institution's instructional program when it comes to resource allocation, space utilization, etc.
- The courses that are available are great. People have the opportunity to get a degree if they want, or they can attend a University and get the courses transferred over to the University. The times that classes are offered are great. People and students have a variety of times to choose from when they take classes.
- Course scheduling and availability are more a function of a budget mandated and controlled by the president of each college rather than by community demands. The library at Central College is obsolete and has been so for many years. Program evaluation by colleges and by the institution as a whole has input by all parties concerned; however, suggestions for improvement are slowly implemented.
- There is still reluctance to fully cooperate and collaborate between the divisions of academic, workforce and student services. The structure has been costly and unruly! There are too many chair positions. HCCS should bring back coordinators (administrators). Chairs are listed as faculty but are doing 90 percent administrative work! There are no standards among colleges! There is disjunction from one college to another especially with processes. There is no true leader regarding the workforce. Administration is made up of academic minds! You have educators trying to make business decisions!
- The re-organizational level for instruction is a good one at the department level. Each department's faculty is a good one at the department level. Each department's faculty chooses its own chair position. The department chair selection process and structure has

been very successful since its implementation in 1997. However, there is a major problem at the middle level with the deans. Deans have direct influence and power over what happens with students and departments, yet they have no accountability to the students or faculty. While faculty members are evaluated by their department chairs and by students, deans are only evaluated by the presidents, who frequently have no real knowledge of a dean's effectiveness. There needs to be an evaluation system in place for this level so that those who are doing a good job can be rewarded and those who are not can be removed. It seems to be that at HCCS, deans are deans for life. Even at some four-year institutions, deans are rotated.

- Institutional research is not user friendly. It's difficult to get good data.
- Hiring minorities: The Hiring process should be more open to adjunct faculty members who have been loyal to the institution for years. Frustration builds and the good professors disappear to our competitors. Adjunct faculty should be given benefits and less Tax Reform Act (TRA) deductions, though it may be state mandated. Most community colleges have many openings and slide adjunct into positions to overcome a great mobility of adjunct and to encourage others.
- There needs to be closer oversight of course scheduling. Many times courses are scheduled for the convenience of certain faculty members or administrators and not for the convenience of the students.
- The library here is doing a great job. It is very organized and houses books that satisfy all demands. Most important is the professional staff, which is always helpful while taking care of the students and library. I strongly believe that the library is the leading and main factor for any successful and great civilization.
- The Director of Students with Disabilities Office at Central College is an EXEMPLARY PROGRAM.
- Most faculty members do not receive their contracts on time! This needs to change.

Appendix D
PUBLIC FORUM COMMENTS

III. Student Services

- Student services are excellent.
- The Dean of Student Services has been helping students achieve success in their academic fields.
- It's a farce.
- I feel as though HCCS Northwest College is an excellent institution. So far, I have had a great experience here.
- I think it is becoming such a great place to study since it provides us with all kinds of books and materials we need to succeed in our career.
- The institution should provide a sense of ownership to provide accountability among the students.
- HCCS has been a vital part of the community for a long time. Many young people have gotten a start in college due to its accessibility. Courses are well taught by wonderful instructors. I just wish education wasn't so costly.
- There is no adequate leadership at the top for student services. There is a lack of research on successful models. There are too many members of personnel and no accountability. There is a lack of technical support for financial aid packaging.
- Counselors are ineffective. We have recruiters, but they need to be trained. We need bilingual recruiters to work in the community. One only needs to see the ethnicity rates of the Northeast College. Individuals with limited English proficiency are at a disadvantage at this college because the representation is lacking. The administration and faculty are not representative of the student enrollment at Northeast College. The leadership may not be sensitive to this deficiency. This College needs an Enrollment Management Action Plan and/or Leader.
- All colleges should have a more cohesive process of offering services. All colleges should be doing the same things in functions such as marketing, tracking and identifying problems. HCCS should centralize procedures.
- Most HCCS employees, faculty, staff, maintenance and security personnel and administrators are dedicated and committed to the success of HCCS. In Student Services, most colleges are suffering from a lack of resources and personnel. More financial aid, counseling, advisors, registration, and enrollment personnel are needed. Also HCCS's financial system needs to be programmed to stop freezing up during peak demands, such as registration, and to be more user-friendly to students and employees. As I mentioned

earlier, the best thing that HCCS has are its employees. However, human resources, the financial system, and lack of guidance from upper-level administrators need to be corrected.

- Student Services needs strengthening in the areas of retention and recruitment. Pilot programs have been initiated at some of the colleges; however, there is not one universally implemented plan designed to recruit and retain system wide.
- The student is the most important aspect of any college. Therefore, Student Services must be friendly and informative. HCCS Southeast College has a diverse group of students; therefore, staff should be bilingual Spanish/English. Financial Aid and student enrollment are at an all time high. We must make sure that financial aid is always available to our students. HB 1403 has made it impossible for all students to get an education with Financial Aid. There needs to be more public awareness of financial aid available to all students.
- For a college as large as HCCS, consideration of adding at least one nurse on staff and notifying the availability of her/his services would help both students and staff. Many students now have no health services available.
- Financial Aid needs to be looked at for better efficiency in service. This area really lacks, and the students suffer.
- As a student and staff member at HCCS system, I feel there could be more out-reach programs within the institution. Through outreach programs students will be more involved, will stay in school and follow through with their education. Outreach also includes an emphasis on the minority students. There should be more minorities in schools, and more effort placed upon following through with their education, in order for our economy to survive.
- Recruitment and Admissions: HCCS needs officials to recruit in Junior and Senior high school. Students that do not have plans of attending college can start taking classes that are needed for workforce development.
- Recruitment: The workforce recruiter for each college is not visible at program level.
- Admission and Enrollment: Both of these vital areas are handled by student aids for the most part. The aids are not knowledgeable enough to handle the heavy loads at semester start. Financial Aid has improved over the last year. Previously, the student was put off for a semester.
- There is not enough emphasis from administration concerning student services. When being visited by state agencies, administrators rush to get student groups organized, but afterwards they are left on their own or promises are made but not kept, such as organization funding or facilities. There are not enough

personnel to handle and provide events and activities for students. Events are also subject to the whim of administration.

- Financial aid needs to be explained, including details of what is out there to be used. Speaking as a student, the Texas system has more to offer than other states. The staff is the best.
- This area needs to be more student-oriented. For example, all departments should be in one area such as admissions, counseling, financial aid and registration. Have more activities on campus.
- Registration: Some students don't have computers and are given attitude if they can't register on-line. Also, I've heard about problems with counselors. Students can't get answers about scores or why they're in certain classes.
- HCCS has an excellent plan for student success. It should be national model. There are Financial Aid problems. Financial Aid needs computerization, and there is limited staff providing various levels of services.
- We have counselors who consistently place students in classes where they should not be.
- There is a need for more advising with a specific adviser and non-matriculated students.
- The 1.7 million currently being allocated to Student Services has not been carefully planned. There are many issues of staff accountability and leadership accountability that should be addressed instead of throwing money at the problem.
- Admissions: Could we please have a paper application or a common state application for all Texas Community Colleges? Sometimes members of our community do not have the computer skills necessary to register for courses online. Houston Community College should give us an opportunity to apply by paper or on the computer. Thanks.
- Student services are good. More emphasis should be placed on counselors and department leaders working very closely together to be able to give students the same or similar data. Job placement should be continuously advertised and presented.
- What internal procedures/protocols are in place to evaluate grant compliance throughout HCCS on all grants?
- There are no health services. For example, a student had a seizure in class last week. Campus police were called, and they came and called an ambulance. There was no other process in place to help this student. Fortunately, he did not die.
- The Student Services Department is one of the most important areas at HCCS. The students that need to be recruited and retained will rely heavily upon student services. Closing the gaps, particularly when it comes to Houston, will rely heavily on student services. Unfortunately, the thing that HCCS does not do well is serve potential and current students. Our lack of customer service

is legendary in this city. We know that many of the students and potential students who are eligible for financial aid don't get it. Most of the telephone numbers don't work. The people in The Student Services Department who meet, greet and relay information to students are incompetent and unorganized. Student Services lacks two basic things: 1) Effective, motivated, knowledgeable, "in touch" (with the population to be served) leadership. 2. Basic business, customer service skills/planning.

- It is often difficult to introduce extracurricular activities to students who work a 40-hour week, attend college and raise a family. However, we have students who are real achievers and they support student activities. Through those activities, they provide for the community and enrich others.
- There should be more information for the students on how to register and how payments work at the school. The students need more information.
- Admissions, registration and counselors at HCCS do a good job. However, recruitment efforts need to be evaluated. Even if you are successful in recruiting a student, the key is retention.
- The Financial Aid office at Central College is extremely understaffed. The Counseling Office is understaffed.
- There are no health services (nurses) available at very large campuses where there are large numbers of students with disabilities.
- Student clubs are not funded, and there is not enough support for the many differences in campus life and the experiences offered. Student Services administrators are not knowledgeable about the functions of student clubs.
- One staff member feels Hispanics are not being served by the college. Hispanics feel undermined, second-guessed and ignored. Individuals should not have to pay for GED classes.
- The school needs more extracurricular activities.
- The Student Services Department is very ineffective. Some programs have no internal financial aid. Student enrollment is cumbersome and time-consuming for both students and staff. Some programs that need recruitment and placement have no assistance.
- Student organizations are not supported financially by the dean of Academics as they should be. Hardly any activities come to fruition for this reason.
- All entering students should be encouraged to take tests that explore their interests, skills, preferences, abilities and personality to help them focus their education plan toward those areas (academic or workforce) where they will likely be successful. Follow-up should be performed regularly as the students' needs evolve and problems arise.

- I am a first-year student, and I had high expectations of college. I am presently enrolled here at HCCS, but I definitely would not recommend attending this school. Instruction and academics need major retooling. The classroom facilities, furniture, desks and chairs are very old. For an institution of higher learning, these things are important, and their appearance lowers the overall appearance of the school.
- I have been studying at this college for almost two years, and the progress the college has been making is extraordinary from all point, fields and angles such as faculties, departments, students, services, libraries, bookstores and student facilities. I have been to and seen many schools, and I have come to a conclusion that HCCS is making very high progress compared to other universities. This is compared to universities, not colleges, because HCCS is taking the lead compared to the other colleges.
- HCCS by itself stands void. I wonder what the real priority of the school is. HCCS says that the students are priority, but then why is it that students have to be the ones to struggle with the issue of parking that makes them late for class and then causes inconsiderate professors to mark them absent. Another thing is the hospitality around here. For instance, the librarians at HCCS are the bitterest people that I've ever met. Honestly, if I really write my opinion of HCCS, what would it profit any of us? I don't know.
- More counselors are needed at HCCS, especially Town & Country.
- Registration is stupid, difficult and time-consuming. Go back to the register-by-telephone system, which was very fast, simple and easy. Make a film like the Spanish learning film "Destinos" in all major languages (French, Italian, Russian, etc) to be shown on TV.
- Students are given too much and as a result are disrespectful to staff. There are not enough rules and regulations, and the ones that we do have are easily broken or not enforced. Exceptions are always made for people with silly excuses. There are no campus activities.
- The administration, enrollment and registration processes are well-organized, but the job recruitment of students is not good. Most on-campus jobs are given to students on work-study. They too are residents and can work outside. Thus, equal opportunities should be given to all students to work on-campus and should be selected on the basis of their knowledge, not on Aid basis or on the basis of knowing someone who is on work-study.
- HCCS does not have health services in house, even though the full-time staff has health insurance.
- I don't like the student services very much. It takes forever to register and pay for your classes. During registration time, one of my classes got canceled for the semester and I'm still waiting for the refund check they owe me. They are very slow.

- There is a need for improvement in the department of student counseling. There is a need for counselors who actually counsel. Activities are almost non-existent. The student government has no input into the administration.
- Student Services includes some wonderful individual counselors but it is also the most problematic area of the system. Last year when a committee was assembled to define faculty workload, counseling was the one major area where agreement and definition could not be articulated because there is disagreement and distrust within the area. Student organizations seem to be going in a good direction. There are more of them, and there is strong faculty support and student participation.
- I think we need to improve our counseling services as well as recruitment and retention. We need to really be serious about retaining students at HCCS and not just put up facades when visitors come. Counselors do not want to see students nor do they want to help students.
- More funding should be given to the successful student organizations that have given students a sense of community. Student Services folks must work with academic faculty and departments to help bring about the better education and retention of students. Most of the HCCS employees, staff and counselors work hard and are dedicated to the institution.
- The current system is a bit overwhelming for a returning student. If a potential student is given the runaround, chances are that they won't return to school. It will give them the feeling of being defeated before they even begin. Therefore it is necessary to make this process very easy on the student.
- Student Services needs a lot of improvement. The current structure with an associate vice chancellor meeting only with the Student Services deans does not work because it does not bring the actual front-line people into dialogue about important issues. The counseling staff members are treated as clerical staff in many instances, although they are in the faculty pay scale. They are expected to do a myriad of clerical activities and, do not have time to do what counselors should be doing. The system continues to come up with more for them to do without consideration of their input. Examples of this are the Student Success Model and the Student Success Centers. These are administrative "buzzwords" and administration is promoting these, but no one has any idea what they are or what they are supposed to be. Counselors are expected to "make these happen" but they have not been involved in any dialogue about them and there is no clear plan for implementing them.
- HCCS needs to reduce the semester cost for International students.

- The long distance fee that we have to pay if we are out of district doesn't make any sense, especially if one doesn't have any in-district HCCS.
- HCCS is, in general, a wonderful institution. I am both an instructor here and a student, so I share knowledge from two sides of the desk. To make it even better, phone registration was great. Registration is now intimidating and difficult.
- I am pretty satisfied with the support I receive from Student Services. They generally do whatever I request of them. However, testing has been a problem. I think the manager of the testing center should report to the dean of Academics rather than the dean of Student Services. Presently the testing center manager is not very responsive to academic needs.
- I like the online application registration. This is my first semester. I was tested, counseled, selected classes and paid fees in the same day. I am taking a transfer curriculum and it is suited to my needs. The cost of in-district attendance is awesome. I don't hear very much about group student activities. The new Student Success Model is doing and will do much to raise status of this group of hard workers. Too often they receive the blame for things that they do not deserve. This is changing!
- It seems that we hire people who are not devoted or dedicated. It shows in their Customer Service! We have round pegs in square holes!
- Why do we not have enough staff to process financial aid packages in a timely manner? Why did three of five colleges not have their state codes for inputting financial aid information, and why is there not a back-up plan for this? Why does HCCS return financial aid money?
- The ADA Coordinator at 3100 Main is OUTSTANDING! The system wide ADA program is exemplary.
- We, like most other colleges, need more counselors. There are never enough.
- Financial Aid needs major overhaul, more staff, improved leadership and oversight. If the comptroller wants to accomplish her goals for Workforce Development, please help. Carefully interview the front line folks.
- Registration is a hassle on campus, but each semester new approaches are tried to improve service. Online registration is improving.
- There is poor quality academic advising. Students are not well served by financial aid. Financial aid is not doing an adequate job.
- It seems that more counselors are needed because the ratio of students to counselors in the college seems to be high.
- There are high school graduates that are languishing in the job market. The community college can help by creating financial

- opportunities to pay for a "Fresh Start" program that does not require the red tape of workforce programs.
- As a student I have seen that an administration that works one-on-one with the student at the beginning can determine if the student will become a part of HCCS or leave. Inform the staff about the new State Law HB1403 that permits students to get an education or continue with higher education regardless of their legal status. I have known many students that come and are told that they cannot attend, or can attend but must pay out-of-state fees or International fees, when the truth is that they pay in-state tuition. We have come here to school and talked to the "main" people, counselors or people that can help us out and know about the law. Many students do not come back and get a second opinion and HCCS has lost a student at that moment.
- The tuition rates are great. We know that there are many students that come from low-income families here in the southwest and the fees are flexible for a student to pay. Students that are under HB1403 appreciate the support that HCCS has given them and the opportunity to continue with their education.
- HCCS should perhaps have more student organizations for students to choose at the campus they attend or promote the ones that are already available.
- What can we do to improve our registration procedure?

Appendix D
PUBLIC FORUM COMMENTS

IV. Human Resources Management - Institutional Support

- Staffing is thin and immature. Services are not up to par. The Staff Development office is excellent. However, this is due to personal initiative, not the support of management. Policies and procedures are incoherent. Salary and other decisions are not transparent. Faculty and staff issues are too intermingled
- I have been an HCCS employee for a year and have enjoyed my experience. Thanks for a wonderful opportunity.
- A better process is needed for applicants at all levels of hiring. The current system is dysfunctional, skewed and unfair.
- Very little positive comments can be said about Human Resources (HR). The previous chancellor brought in an HR crew who had little or no experience in higher education issues. They said "we will run this system as a business", but they have failed in every aspect. To add to the problems, HR employees are uncaring and unresponsive to our needs.
- Human Resources is a critical area and a component of strategic planning that is trailing behind. The HR department at HCCS lacks consistency and efficiency. In reality, it just needs help! Having worked in the HR industry myself, I am amazed by the lack of information and communication HR provides.
- HCCS lacks comprehensive and complete policies when it comes to most of its practices. Procedures in hiring of non-faculty does not follow the policies that it does have and is notorious for engaging in unfair selection processes. It is my understanding that HR is working on reorganizing this. The main problem is leadership.
- There is not much positive to say about HCCS in the way of selection and hiring of non-faculty. Employee Relations and Grievances other than the college has an inordinate amount of grievances. Again, this is due to a lack of effective leadership.
- The organization of Human Resources and the staffing of that particular area is a muddy mess. There are no clear, concrete guidelines; policies are written and re-written. This entire area needs reorganization desperately and immediately. Policies and proceedings need to be interpreted consistently without change.
- Houston Community College System's Human Resources is completely corrupt. If a "grievance" is filed internally you can rest assured retribution will be taken. Within the past 2 yrs under the management of the executive director of Human Resources, more grievances have been filed than in the rest of the history of HCCS.

The HCCS faculty has asked for this position's resignation this year. Over 1000 personnel have complained about the HCCS HR internal grievance process. It was taken to the interim assistant dean of Student Instruction at Southeast College who has been speaking to the board. The chancellor has known for over a year but has done nothing. I am a secretary II for more than 18 years. However, there are incoming Secretary II's making $40,000/plus while we are still making approximately $30,000. We did a classification appeal on our current salaries that was ignored by administration. We as employees should not have to go out and get an attorney to save our jobs because our HR internal process is so corrupt! As an employee of HCCS for more than 18 years, this is the absolute worst the system has been. The executive director of Human Resources came on board and gave the entire HR staff not 10 percent raises, but 20 percent raises. We are extremely top-heavy! We have a chancellor earning over $250,000/yr, a HR director earning almost $200,000/yr, and the list goes on. We have gone through three Buck Studies and several chancellors. Employee morale is down. Our clerical staff needs to be paid for experience on the job, and we won't stop until changes are made.

- There are many corrupt things going on in the administration. When employees complain about policies, pay, etc. or when employees file grievances, there have been cases of transfers and other inappropriate courses of action. I heard they are getting rid of free tutors. I don't need one now because I am not in the math and sciences. However, when I take those courses I'm sure I will need one.

- I've worked for HCCS since 1998 and during this time the Human Resources Department has been poorly managed, especially during the last few years. It seems that whenever I have had a question regarding benefits, our HR benefits personnel either do not know the answer to my question or are unavailable. During the open enrollment period last summer employees were severely limited in terms of the time they could consult with and be assisted by HR personnel. Except for those limited time slots, employees were left alone to make sense of their health care options. While such a limited schedule may have served the convenience of HR personnel, the needs of the employees were ignored.

- The institution appears to have too many managers and not enough "worker bees" at central administration.

- This department is unresponsive and does not answer phones. Employee turnover is high. Employees must be educated constantly. It's very frustrating.

- If a dispute arises, faculty and administrators are safe. If staff is involved in a dispute, many times the staff is "worked out" of the

system. There is no such thing at HCCS as job security for "staff". This is sad.

- There is no follow-up to determine if employees are cheating the system, and there are no set guidelines as to when a decision can be made concerning employees on workers compensation for extended lengths of time (for example, a year or more).
- They change procedures in midstream without advance notice! They don't have or give any procedure about disciplinary action! People "file" and are protected here! Changing items, like rates and salaries, affect lives and operational systems.
- This is a very unresponsive organization, especially at the top. Human Resources administrators gave themselves big raises while rank and file get 2 to 3 percent increases. This has created a very negative perception among HCCS employees. The selection and hiring process is exceedingly lengthy. We cannot attract top candidates because we advertise too late and string out the hiring process for months at times.
- The staff development office is the one bright spot in HR. There is a good college leadership program and good support for employees trying to finish degrees (financial support). There is a great faculty sabbatical leave program, but no administrative policy, except for very top executives who probably don't need it.
- In order for the organization to run smoothly, Human Resources should be one of the best functioning departments. This is hard to do for the rest of the departments when HR needs better direction in staffing, procedures and policy. HR goes through their own reorganization and places personnel at their own discretion, where they want. The rest of the system must follow guidelines and procedures. This also pertains to salary increases that occur at HR and are unfair.
- I am all for policies and procedures but communication is the key to implementation. Employees seldom know how to access information on the Web - a Web that has not been updated efficiently and effectively.
- Most agree that the Human Resources department is in complete disarray with no accountability to anyone. Compensation/salary level policies continue to be developed which cause confusion and chaos, not to mention low employee morale system wide. Although expensive consultants have been hired to correct some of the mismanagement, apparently HR limits their ability to perform thorough audits/evaluations by restricting the areas they may have access to. Also, it appears that if the results are not acceptable to HR, the results are not widely disseminated and another consultant is hired, with hopes that the hoped for results will be provided. If interviewed individually, away from their supervisor, I feel sure that the employees will reveal how they are expected to work

- without computers, phones, desks, support personnel, or clear direction as to what they are supposed to accomplish, and how.
- In my opinion the college is moving forward at a good pace. We could stand some workshops in basic manners, from the faculty down to our part-time clerks.
- Turnover in this area is an issue, but the current group is doing better with communication than in the past. In my observation one real problem faced by administrators and department chairs is that there seems to be nothing they can do to get the deadwood and clock-watchers to move on. The human doorstops are a real drag on the energy of the folks who are HCCS's greatest assets. And over time their presence generates bitterness and cynicism. If there are tools to deal with these folks, administrators need to know.
- Policies and procedures are set aside at the whim of the board. The grievance procedure is not geared to help solve issues. Procedures change without notifying colleges.
- We have an HR department that does not seem to care for employees. The institution makes it very clear that only minorities need apply. The HR director is dictatorial and makes arbitrary decisions.
- Selection and hiring is too long of a process. HR violates its own rules. There is a lack of immediate response and a lack of confidence in all employee relations personnel. Nothing is confidential. Too many problems. No leadership. Unresolved issues. Ex: Buck Study - almost a year and appeals not settled.
- They are not responsive to phone calls or are very, very slow in responding. Personnel frequently are not knowledgeable about areas for which they are responsible. Policies and procedures are not updated in a timely manner. The recruitment of part-time faculty is improving but needs to be better. Dissemination of availability of qualified faculty (part-time) needs to be improved. Department chairs need access to availability. It is an inconvenience for department chairs to have to go to 3100 Main to review applications.
- Grievance procedures take too long. The process is not always clear. Accused too often means assumed guilty until proven innocent. Minorities receive extra attention.
- No interest in faculty or student needs.
- Maybe you could have special opportunities for international students.
- HR has been a big mess! There seems to be a lack of good organization and knowledge. They should stop doing those traveling shows and spend more time in the office and answering phones.

- This area is good but more organization is needed within the department. There should be workshops of HR policies, procedures and functions.
- Human Resources is constantly re-organizing itself. The department tries to get information out to institution but somehow makes it harder to straighten out any problems. It causes more than it solves.
- There is a disconnect between Human Resources and faculty. HR seems to exist in a vacuum and it doesn't respond to, or simply ignores, faculty concerns. They do have an excellent professional development program: college leadership with over 80 hours of intense training.
- Employee relations and grievances should have a better system and should include mediation. Hiring process should be streamlined. Technology staff development should be offered to both faculty and staff.
- This whole area needs to be looked at. There are inconsistencies with job postings and requirements and promotion standards.
- The job application process needs improvement. It lacks a solid tracking device/system for applicants, so they know where they stand.
- Faculty members need to be paid accordingly. Last hired should not be the highest paid.
- Restructuring of the Benefit Department could have been handled in a more professional and sensitive manner. The system should revisit the criteria from the Baldridge Award.
- This entire division, including its access and equity area, needs to be under new leadership. The compensation division is shameless, the employment area does not inspire confidence. HR should be very clear in its role but they are not even accountable or knowledgeable regarding college standard that should be monitored before positions are posted. In addition, the role of the generalist is not helpful. Too often, these people cannot be found to help resolve and facilitate personnel issues at the campus level.
- Either the system's counsel should get involved early on with HR complaints that could be injurious to the system or the HR staffers need to become more sophisticated in their level of knowledge of the law and how to intervene/mediate complaints before there are serious consequences. Staffers are pleasant but do not seem to have sufficient authority to provide preventative advice/help.
- We need more than one attorney and one secretary or paralegal for the amount of work generated internally and externally. Turn around time is pathetic for new contract reviews. Secretary/Paralegal needs to be more user-friendly. There are enough HR issues to keep more than one attorney busy!

- Staff development and continuing education are non-existent in some areas. There is no planned time for staff development in work force areas.
- In the interview/hiring process, it would be very helpful to the final outcome if the hiring authority was allowed to be part of, or at least sit it on, interviews and discussions.
- There is a need for more staff development opportunities.
- Thing are not done correctly. Lots of nepotism-style hiring is practiced.
- HR is not consistent with hiring practices or compensation. It takes them too long to take an assessment and work out the problem with the particular employee. There is no standard hiring practice.
- Policies are variable - they need stabilizing. Recruitment is not effective (historically), especially related to increasing diversity of faculty. Excellent use of the liaisons - need to be under college authority.
- Very clear, detailed instructions are given to hiring committees - we are charged with hiring criteria and are encouraged to be very correct. I feel that, while cumbersome, the HR procedures are fair. Every attempt is made to be fair.
- HCCS is so large that sometimes working through the system is frustrating - but the size works in our favor because of the vast array of talent from which to draw. What I like about the system is that it is not stagnant - we are given the opportunity to improve, rights and wrongs, etc. (in many situations). Because Houston is so spread out, we have to duplicate facilities, offerings, services, etc. - it is costly. For me, the biggest negative is the fact that so much of our program is operated by part-time employees - both staff and faculty. We are constantly having to re-train and re-invent the wheel - this is brain-draining. Again - cost. I have taught here since 1988 and I am still positive about what we are trying to do.
- Human Resources needs to develop processes and procedures which can be consistently followed. They need separate procedures for IT Staffing to meet "just in time" technology requirements. HR does not publish new policies or changes to the on-line policy. This places too much burden on managers.
- It takes too long for full-time faculty replacements/vacancies to be filled. The time line is usually at least one semester and many times longer. This is a real hardship when a department has only one full-time person.
- It is positive to have an HR generalist located at each college.
- In today's market, with Internet access, our community needs to be able to get online and apply. Sometimes this does not happen. Therefore, we need to be able to pick up job postings the "good old fashioned way" - paper forms. Human resources must be concerned with our community being able to acquire these

positions at the community college level. Sometimes people have remained temporary for too many years.

- Human Resources is good. Overall most requests and concerns are addressed adequately. There perhaps needs to be a more equitable method of administrating SEOI and other survey students for staff to complete.
- The faculty has lost total confidence in the Human Resources Department. There is a belief that arbitrary decisions are made by HR. There is a perception that folks who make decisions have little grasp of the academic program of the institution. The vote of "no-confidence" of the HR director is an indicator of the depth of this frustration.
- Human Resources does not follow policy protocol when hiring. They hire unqualified persons who do not have a clue as to what they are doing. There is also nepotism that runs rampant throughout the college system. Racism exists in hiring practices, as well as compensation that is based on race. This institution has a political culture all its own and that can be seen by the unqualified workers put into positions of power. Many of the administrators lack the educational requirements but were still hired.
- There appears to be an underlying fear of being sued among administrators that often results in unqualified persons staying in jobs indefinitely, while qualified people end up so frustrated that they leave for another job outside of college.
- There is some excellent staff who unfortunately are retiring. On the other hand, Human Resources as a whole seems to be almost hostile to whole areas of the system - those most directly involved with the students our system is dedicated to serving.
- HR function doesn't seem able to put new programs into action in a timely manner. Perhaps not enough staff or freedom but it causes a lot of mistrust. All employees need someone who doesn't take sides but can share with the appropriate manager/administrator/supervisor and protect individuals. Employees feel too often that no one takes their interest at heart.
- There has been a practice of moving "problem" employees to other departments/jobs and too often a new manager has his or her hands tied and is unable to take disciplinary action.
- Human Resources no longer exists as a department.
- HR could have a separate department for faculty - which is a different animal. The executive director of Human Resources, after a vote of no confidence by the Faculty Association, remains vindictive and inept. The Faculty Association does a lot of work that HR consultants are paid to repeat or copy. The FAC Rocks!!
- Human Resources is a total mess. First of all, the current executive director oversteps his bounds on frequent occasions. For example, last year he decided to hold a faculty department chair's check

because he didn't think she could do all that she was being paid to do even though this was signed off by her dean and president. He refused to answer her phone calls or the phone calls of her dean and president. Eventually this had to be taken to one of the vice chancellors and the chancellor. There are numerous other problems in HR, but if you get a copy of the document presented by the TACHE representative at the board meeting of 10/24/02 you will have a good idea of some of the major problems. Also, although the institution has written policies and procedures, HR frequently ignores them and follows whatever process suits them at the moment. This is especially true when it comes to the grievance process. Even individual employees within HR are evaluated by different criteria.

- We must face the fact that HCCS is a 12-month operation. Not only do our workforce programs not recognize any artificial limitations on instruction imposed by the traditional semester calendar, but even on the academic side there is a terrific demand for instruction by students enrolled at 4-year institutions who are off during their school's summer break. Nonetheless, our salary system adheres rigidly to the old calendar, where 9-month faculty contracts the norm, supplemented for those who wish to teach during the summer by 1- month extensions and overload pay. This serves as a powerful disincentive for qualified faculty to teach during the summer. Teachers should have the option of choosing a 3-month extension if there are courses to be taught, and workforce faculty should be offered contracts that reflect the demands for their services, which in some cases are 12-month contracts. Currently, HR is relying on too much to establish policy in a broad range of areas where input from a wider spectrum of interests is necessary. For example, in a recent market study of Texas Urban Community Colleges (TUCC) conducted to determine the market level of salaries for full-time and adjunct instructors HR unilaterally decided not to include local 4-year institutions in its definition of the market for adjuncts. This was despite overwhelming evidence that, in academic subjects, 4-year colleges are a serious competition for adjunct instructors. HR should have been implementing this study, but should not have been given the power to make such important decisions unilaterally.

Appendix D
PUBLIC FORUM COMMENTS

V. Financial Management - Institutional Support

- Budget management neglects students, staff and faculty while catering to upper management.
- The system attempts to show inclusiveness via the governance leadership and institutional support. For the most part this is achieved, except for the budget process, which is totally in need of improvement. Often system wide forum units are given the same budget with fewer funds.
- Too much money spent is spent to feed employees. Too much money is spent on travel.
- The budget process has not been tied in with the program review or assessment. The amount "given" to a unit is usually unrealistic. Any "deficits" were resolved at upper level instead of at the "unit" level.
- This area assumes the responsibility that they control all aspects of the college and make policies or their interpretation.
- The area of how scholarships accounts are set up and the accounting practices need to come under careful scrutiny. There are community donors who have questioned the integrity of how the office operates. Please review this area carefully.
- There is too much waste. Items are purchased, only to then be thrown away because no one ever had any use for them.
- Institutional Support: there seems to be an honest attempt to budget, but departments have received roll-over budgets for the past 3 years - even following months of pre-planning and workshops. Money goes more quickly to administration than to instruction.
- There is too much control at system level. This does not allow headers to use their creative abilities. Too much time is spent making decisions, which is costing HCCS millions of dollars.
- Colleges are under-funded, while 3100 Main is over-funded. Colleges only get rollover budgets despite demonstrating a need for more adjunct dollars, construction and renovation dollars, etc. Whenever money gets cut, it comes from the adjunct salaries. Even when we say we'll plan, we get the same results: rollover budgets.
- For several years faculty have been told by senior administrators that planning would guide the budget process. Program needs would determine budget allocations. Faculty input was solicited and given involving numerous meetings and many hours. Yet when budgets were finalized these past few years, what happened was that the previous year's budget was rolled over minus a certain

percentage. To solicit faculty input and then seemingly ignore it has produced frustration and a sense that faculty is being disrespected by the administration.

- Budgets have decreased for most departments over the last five years while enrollment climbs. There are too many consultants.
- Internal and external auditing needs to be done in a timely manner.

- There is also a lot of waste. Northeast Campus is an example. For at least three years we have tried to make classes there. A lot of money was spent, but students are not interested in that campus. The location, I think, is the primary disadvantage. Besides, it's too close to San Jacinto College. My understanding is that San Jacinto's enrollment has improved within the past three years. Yet, we continue to pour money into the NE (Codwell) building, while Northline, the biggest and most successful campus in the Northeast College is left out. We need real college campuses, not shared buildings.
- More funding should be allocated for the instructional materials, technology and professional development opportunities. The system must provide a better account of the budgetary and financial accounting. How the money was used by the system and for what purpose? All colleges are asked for high accountability, but not the system.
- The chancellor has done a great job of overseeing financial management.
- I really liked the payoff department, as transactions can be done online without any confusion. And also, payroll must help students in resolving certain issues.
- Why is the Northwest College always treated like a stepchild when it comes to budgeting issues? It receives the smallest budget, even though it has one of the highest enrollments and has proved to be the most efficient in spending its meager budget year after year.
- Budgeting and Planning - For the most part budgets are rolled over from year to year and the budgeting/planning process has little effect. Instruction needs a bigger piece of the financial pie. After salaries are paid, there is little funding left. Innovation and faculty development suffer. Comparison should be made between funding for system vs. funding for colleges; the number of administrators in relation to faculty; the number of system support personnel vs. colleges. A better way of funding programs should be established regarding a fair cost per student depending upon program. Internal auditing could be improved. There is too much self-auditing of the use of external funds.
- Funding for all departments and colleges should be done in an objective way. That is, based on enrollment, contact hours generated, growth, etc. rather than on rollovers to each area plus an

increase if possible. It appears the vice chancellors budgets are almost as large as the college budgets (i.e. compare HCCS-NW and vice chancellor for Institutional Development). There should be more funding equity.

- The turn around time on cash reimbursements has improved.
- The kinds of activities that support faculty should be included in the budget - things such as paying for food for the opening-of-semester adjunct faculty meetings. I also think the funding for speakers should be the same for all departments. Some departments have an honorarium budget, and other departments have nothing.
- Faculty members and chairs have very little input in the budget process.
- The institution is very good at getting paychecks to its employees. However, at times it is difficult to figure out why one gets the amount on the paycheck. It can be frustrating when one can't figure out check. Also, when we have to process a check for other items (travel) it takes a long time. Sometimes you have to wait for four to six weeks for reimbursement. When you try to get an answer, you get the run around. Very few employees at 3100 Main take responsibility for anything. Certainly 3100 asks and demands that the colleges take responsibility, but there seems to be different rules for employees downtown.
- Funding seems to consistently go to other areas (particularly consultants) rather than instruction.
- I have little contact with this issue beyond my department's endless efforts to keep our facilities from collapsing around our ears. As far as I can tell the budgeting process doesn't take into account that mechanical systems, plumbing, flooring, roofs, signage, doors, elevators, blinds, curtains, carpet, tile, etc. all have limited predictable life spans. Every time something breaks down or gives out, it's a financial crisis rather than a natural part of a well-constructed budget cycle. And if this were better managed, I imagine it would have an impact on safety and workers compensation issues as well.
- There is too much political interference at the board level. Decisions are very slow and cumbersome at the system level.
- This area seems to be the strongest and best organized. Budget and planning are futuristic and cutting edge. Mechanisms are in place that prevent problems from spiraling out of control.
- There is concern over allocation mechanisms. There appears to be movement toward "equalization" as opposed to "equity." Model does not reward success or good financial management. Colleges overspend budgets and are covered with no ramifications. As a result, those who do live in budget ponder "why?" when there are no parameters or consequences. Budget should be more in-tune to

strategic planning. There is limited flexibility in budget monitoring - i.e. dollars, in personnel line, can't be used in other areas for needed items without system approval, which never happens. If the colleges are to be accountable for their budgets, then flexibility in the use of those budgets is important.

- Are all employees aware of what documents are subject to audits? Do they know how to complete documentation when it is originally created so that it gets done right the first time? I suggest a new HR employee class specific to forms used in each discipline as part of new employee training.

- How does HCCS guarantee that grant-funded employees only work on grant projects for the purpose the funds are allocated? What remedy is available if an employee or co-worker is asked to work on non-grant jobs by a supervisor? Are there are any HCCS policies in place to address personnel issues that are funded by state, federal, or private entities?

- Although HCCS has policy regarding the Whistleblower Act in its policies and procedures manual, more posters should be displayed system wide to encourage students and employees to consider/or be made aware of the opportunity to enforce compliance. This will also serve as a deterrent to wrongdoing.

- The check processing process is too cumbersome and it takes a long time for checks to be issued unless special handling is requested. Please review how Accounts Payable dates incoming check requests and how long it takes until the check is cut - everyone in that department is nice, but the process is not efficient. It is my understanding that San Jacinto College has an exemplary system.

- I think that the Financial Aid department handles our funds too slowly, and they should be disbursed sooner than they are. They are not informative about the grants a person is entitled to.

- Pay invoices and requisitions PROMPTLY*!*

- Too often, administrators are hired based on politics and not their experience or leadership abilities. Unfortunately, the students, the community, and other faculty and staff suffer as a result. Student services are not viewed as an equal partner with faculty in the budget process. Classrooms cannot have students without support services.

- Some services have been decentralized and seem to be working well. Some procedures, perhaps at the college level, still require many signatures. Two signatures should be required, but more than two become cumbersome and delay paperwork.

- Budgets are used for all types of expenditures that are not allocated for within a particular budget. Recruitment and retention budgets are used for things other than recruiting activities and retention activities. College presidents use budgets at their own discretion

and most of them are not accounted for. The new vice chancellor for Finance will definitely make some changes and hold them accountable.

- The budget system is done by a unique few! Those in the field that rely on budgets to carry out functions by departments are having their budgets cut! What we generate/produce (i.e. revenue) never really finds its way back into our specific accounts. It's up to the system and college administration how funds and budgets are determined! We cannot continue to do more or the same with less! They do not pay vendors on a timely basis! The process is too long. There are too many obstacles, too many signatures. Things are lost or delayed, and people do not get paid on time!

- HCCS needs more bottom-up participation in the budgeting process. Despite a campaign to solicit grassroots input from department chairs and other grassroots layers, the budget in the end is determined simply by the administration at 3100 Main dictating how much money the colleges will receive, and leaving it to them to allocate the scarce resources. However, prior to the beginning of the budget year, further cuts are mandated from above, with the result that virtually all input from below has to be jettisoned in order to maintain basic services.

- The process for payroll is lacking. Frequently, employees, especially those in lower level positions, miss paychecks because somewhere along the way of the paper trail, someone has failed to fill something out properly or sign something. The attitude of payroll is that these employees will just have to wait until the next pay period because we don't cut manual checks. Of course, if threatened with a visit to the CFO or chancellor, suddenly manual checks can be cut. Those of us who supervise staff, especially PT staff, deal with this attitude on a regular basis.

- The budgeting process is just a joke. There is this "show" of there being a process from the bottom up. Departments are asked to submit budgets via department chairs to deans to presidents to the executive team. Budget meetings are held where all "budget authorities" attend and work in groups to prioritize needs. These are given to administrators and in the final analysis, the administration comes back with whatever it (or the board) wants.

Appendix D
PUBLIC FORUM COMMENTS

VI. Asset and Risk Management - Institutional Support

- There is a lack of response from system office. We can't get copies of insurance policies. It takes too long to process requisitions since it is not fully automated.
- The offices that handle this specific area don't generally know policy and take two to three days to answer.
- There is poor leadership and no communication.
- Computers go missing and no one is held accountable. Laptops are covered by HCCS instead of own insurance meaning we cover all costs if an item is stolen.
- There should be more awareness of risk management.
- There is a major issue with employees on workers compensation. Some are using the system to maintain position, but are at home. Though difficult to prove, fraud is highly suspected. There is nothing in place to monitor or investigate.
- Please look into risk management and the possible abuse of personal leave and FMCA and workers compensation.

Appendix D
PUBLIC FORUM COMMENTS

VII. Purchasing and Warehousing

- Offer procurement opportunities that must be announced on a larger podium by associating community business and civic organizations.
- The area of bidding and RFPs still needs to be refined.
- In reference to purchasing, I feel that to obtain items for a small department we shouldn't have to wait so long for our requests.
- We should have an internal system of buying so that everyone would have the same kind of pens or use the same kind of disks. It would save a lot of money to warehouse these kinds of items.
- We need a better way to assess what is needed by each department prior to the start of each semester.
- Warehousing is totally inadequate - getting rid of junk is nightmare. Purchasing processes have improved but still seem more difficult and time consuming than necessary.
- There's been improvement in the day-to-day routines of purchasing. But the high turnover in those offices is a problem. Sometimes we have genuinely professional, personable folks really trying to help us find the best way to solve the problems. We have also gone through phases in which no one, literally no one, answered the phones, and we often got curt, cryptic unsigned notes rejecting our paperwork. It's been better lately. Warehousing - the procedure by which broken equipment and furniture is officially declared "junk" and carted off is bizarre, arcane and pointless. Busted desks and chairs can stack up and gather dust for years before they ever get hauled off.
- Purchasing items is a task that tends to be more cost-effective. Most of the time we must follow vendors simply because they are on our system, while other vendors can offer lower costs. Warehouse issues: there is no consistency in storage of old documents; procedures and policies are in place but not always followed.
- Open POs have been a good way of purchasing needed supplies.
- HCCS is doing well in purchasing locations rather than leasing. Staffing is okay.
- The inventories used are really good. It would be much more enhanced if there could be a TV/Computer in each class so professors wouldn't have to take them to different classes. Not a necessity though!
- HCCS should not be outsourcing moving services when they used to have a department taking care of inventory and warehousing.

This is greatly improving now that we have a director that seems to have a handle on the problems.

- This area has been very difficult, but has improved much in the last year.
- HCCS buyers are helpful; new director seems to run a tight ship. They need a better copier on the 12th floor of 3100 Main, West End, and need telephones installed in all 12th floor conference rooms.
- Warehouse operation is ineffective - there are no warehousing operations for the NE College. Equipment, materials, etc. are stored in violation of safety rules because proper warehousing facilities are not made available.
- Purchasing and disposal of equipment is very outdated and costing tax payers a lot of money.
- Once again, policy/procedures are great to have; however, when efficiency declines they serve little purpose. The bid process is a good one - giving vendors the opportunity to provide service at a competitive rate.
- Purchasing is on the way up under the direction of the current executive director of Purchasing. He has been handicapped by the inability to take action with unqualified employees.
- Still needs to improve! The process is too long. There are different authorities among colleges in amounts that can be approved! Needs a more streamlined approach and better use of technology!
- What is the best way to let employees who order supplies know the best place to buy common items, such as toners, printers, etc.? And how to decide which vendors are best?
- Purchasing is slowly improving its processes, but it is still cumbersome, slow, and unclear for the average person "in the field" who must navigate through all the forms and paperwork. More training about procedures and forms for these people would be helpful.

Appendix D
PUBLIC FORUM COMMENTS

VIII. Management Information Systems

- There is not enough technical support at the college level.
- MIS is good - needs to keep up with the times but we do have good support.
- Keep up the good work.
- Our computer technicians should be more accessible. Based on my experiences, it's taking them too long to respond.
- MIS is very good, probably the best in the city. However, continuous revisions for updates need to be assessed prior to each semester.
- Technology is handled randomly - there is no uniform standard for computers or printers. For instance, my department supports 27 printers and gets no money for cartridges and no standardized prices. Technology planning at the instructional level is impossible because we have no technology budgets.
- New technology is almost routinely implemented without appropriate employee training, from PeopleSoft to the newest e-mail system. Training usually does follow but not before employees are thoroughly frustrated.
- Procedures needed to be made available when PeopleSoft was upgraded. No procedures were given.
- More funds toward improving technological standards are necessary.
- More money is needed to meet maintenance needs like technology upgrades.
- Put more money into technology, computer maintenance, technical support, and a better computer network.
- The system does a great job of keeping up with the latest technology. However, what an experience to go from one system of e-mail to another without proper training or set of instructions!
- IT upgrades and technology planning must be done to facilitate the teaching, learning, and administrative aspects. The academic calendar should be consulted in planning any major changes in technology.
- Technology - most technology should be invested in the classroom and for student use. Standards should be ahead of the curve rather than behind the curve.
- Allocation of technology should be based on enrollment and efficiency (cost-effective).
- They have been good in the processing of the work order.

- IT staff is limited. There are good computer labs on campus, but we need more.
- The IT department does a great job of servicing college computers, networking services, and the phone system.
- HCCS has done a good job keeping up with technology, particularly for system purposes and for administration purposes. More funds and equipment should be directed toward the classrooms' faculty and student use in the teaching/learning process. Web CT - great step forward! MIS should be more aware of the academic cycle and not do things like upgrade e-mail during a semester, especially with all of the problems encountered.
- This is generally very good. Good support, but almost too much emphasis on computer purchases.
- I think there has been significant improvement in this area over the last several years, particularly in the area of support. I do think that many instructors remain just barely functional. I've had to show people how to copy files to a disk, find the HCCS homepage, etc. over the last few months. Suggestion - contact each department; ask each full-time adjunct to send one or two questions about basic computer usage and then present a very short, focused class dealing with what those particular people want to know. I've lost count of how many instructors wander through the break room moaning "I don't know how to save this file" or "how do I put clip art on this flier - I feel so stupid!" They're wasting time and energy. Also, teachers don't necessarily know what's going on with the technology in their field, and have no way to keep current, let alone teach it.
- Technical support - *GREAT* staff who actually service the computers! They usually respond within 24-48 hours and are generally very courteous and helpful. Great software instructors for internal HCCS classes; classes are held frequently. Understand computers are to be upgraded system wide - too little, too late to be in the mainstream system wide. POOR e-mail software according to people who e-mail us because attachments cannot open easily.
- Computer registration and tracking of students is very time-consuming. It is not conducive to following student progress and following up on students. The work force programs are not well thought-out in the computer system. A lot of time is wasted. A lack of training on computers hinders a lot of staff employees.
- PeopleSoft is difficult to use. I would recommend that HCCS solicit or form committees of special interest groups (i.e. student services, secretaries, accountants, etc.) to recommend improvements and enhance user-friendliness of the software. Then, concentrate efforts on making the suggested improvements and test all changes well before activating the changes. Be open to all suggestions and problem descriptions.

- Technology for student services employees and especially student services labs is ineffective. The system implemented on-line admissions, on-line registration and on-line orientation, but support staff (lab assistants) are needed to facilitate the process on behalf of the students. Computers are also needed.
- The new e-mail will not print, no matter what instructions I am given to follow. A lot of e-mail does not need to be printed, but some messages are important and do need to be printed.
- Technical support has become increasingly stronger in the past few years despite increasing complexity in the tech systems we use. On the other hand, too often technology is revered for its own sake by HCCS administrators, with the result that money is expended on equipment that turns out to be impractical.
- In terms of allocation of technology resources, our IT department does not do an equitable job. Some colleges, programs, and offices have up-to-date equipment while others still work with outdated technology. Their support and trouble-shooting for existing hardware and software is commendable.
- The system IT department has a large disconnect from the colleges and the need of the colleges to perform the basic function of the institution, which is to instruct. A recent case in point is the change of the email system. This fell in the middle of a semester. This has been very disruptive to the educational process as many faculty members use the e-mail system to communicate and/or send and receive assignments. There was a no real testing of the new system before the migration and IT is surprised that there are problems and that people in the field are so upset. We made the switchover at the end of September and now, a month later, there are still problems with the system.
- Integration of Technology from an institutional administrative side is problematic. The PeopleSoft system still has problems. The e-mail system has problems. The understanding by IT of what the individual needs are is minimal, and decisions are frequently made without sufficient input from "e-mail users."
- We have moved in the right direction with planning for the acquisition of technology and upgrades with the tech fee and the system standards set by the Technical Standards Committee. However, in the individual colleges, although there is a plan in every college, the plan is not always followed because there is not a solid structure in place. For example, at NE College, the technical staff and supervisor spent a great deal of time getting the inventory together and identifying needs for replacement and how to cascade existing equipment. The deans are supposed to work with the college technical staff in recommending purchases. Consistently, one dean follows the program, but the other one doesn't. Also, the way the tech fee money is distributed at this

college is not reasonable. We can identify need and should really purchase based on need according to programs and system standards, but instead each dean is given some amount of money based on who knows what, or some departments/programs go without because the dean over one area doesn't have the necessary funds while other departments/programs buy toys.

- Integration of technology across the institution as it relates to the instruction side is moving in a positive direction thanks to the Instructional Computing Resource Center (a system department), which collaborates with the instructional computing personnel at the colleges. We have made a lot of progress in this endeavor as a result of activity and of the Title V grant, which focuses faculty training on using technology and integrating technology into the curriculum. Also, in the past few years with the implementation of the tech fee money, faculty members have greater access to technology. While every faculty member doesn't have his/her own computer (or office), everyone at least has some access. Obviously, there is room for improvement, but we are moving in a positive direction. One of the biggest problems is still technical support. System IT understands this to mean the infrastructure; however, instructional folks view this as personnel - actual computer techs and lab assistants. While the system and the individual college presidents verbally acknowledge the need for this personnel, when it comes to budgeting, most of them do not follow through with providing enough technical support. If there are no people to keep the machines up and running, the machines are useless.

Appendix D
PUBLIC FORUM COMMENTS

IX. College Relations and Alumni Affairs - Institutional Support

- What can the board do to help Public Relations combat our negative image in the newspaper? Can they be more proactive to help improve community attitudes about our institution? Are they willing to do unannounced HCCS campus site visits in locations where they're not recognized and query students/faculty about satisfaction?
- There is no alumni involvement. The marketing plan is not well defined.
- Special Projects - Upward Bound is a wonderful program at HCCS/SE. However our community needs to be made aware of Upward Bound. Fiesta Friday is also a great component. Our community is invited to the Community college on the First Friday of the month. Great activity! HCCS/SE is available to host college days both at SE and Coleman. Our students need to know HCCS is a great start!
- Community involvement is made, but reasoning and common sense need to be used.
- Corporate and Continuing Education needs to be much more fully supported. Programs need much more publicity and need time to develop. Fairness and equal opportunity must be rigorously practiced in the selection and promotion process. Favoritism and cronyism *is* widespread and the entire college is aware of it. This results in demoralization of competent personnel and placement in jobs of those not qualified to fill the positions. Policies and procedures are erratically and inconsistently applied.
- We need a real people leader who is a strong communicator to help the colleges achieve the best practices regarding how we communicate our mission, objectives and public image to the public. This area has traditionally been very closed to the vest. The interim person in that position has completely demoralized a competent staff that under new leadership will perform.
- We need more alumni involvement.
- Little involvement is seen between students and the community. But then again community college students don't have much time to get interested in clubs or organizations. Overall, I think the college provides good service to the students. Glad to be a part of HCCS.
- HCCS seems to have no alumni support.
- The Houston Chronicle (the only newspaper in town) has a very poor perception of HCCS and takes every opportunity to point out

our mistakes - especially the actions of board members who try to subvert standard contract proposals. Generally, the community has no idea how many good things we do - we need to do a better job at promoting ourselves (better marketing).

- Unless the grant is HUGE it is impractical to apply for and manage. For some things like concerts, galleries, speakers, there is LOTS of community money available, but the college makes it a nightmare to spend and reimburse.
- I like the HCCS location and all it offers to the community. I also like the library and how it allows toastmasters (outside organization) to use space.
- Communication offices must do a better job in publicizing the good issues of HCCS (quality education at an affordable price).
- More community involvement is needed via public and media relations and service.
- HCCS is one of the best-kept secrets in Houston, despite the number of students it educates throughout the years. It needs more positive image enhancement in City of Houston announcements and in the media.
- Alumni involvement needs to be increased. HCCS's governmental relations is weak. HCCS does not have a strong presence in Austin.
- I am not aware of much alumni involvement.
- This is improving slowly, but we have a bad relationship with the only print medium in town.
- Very good at informing the public, but more attention needs to be given to establishing databases for each program area, listing all grads from the department each year, as well as where they transfer and/or what jobs they hold or acquire.
- I do publicity, and there is a constant wrenching pull between the need mentioned in the marketing objectives to create a distinct brand recognition for our programs and the imperative not to stand out as being different from, or competitive with, other colleges. At Central we have programs that are unique to Central, not duplicated anywhere else in the system but we can only market those programs to high school students in our service area. It's a waste. As both a publicist and occasional grant writer, I can say that the perception of our administration and board in the larger community is a barrier to everything we try to do. Innovative ideas and entrepreneurial instructors and administrators are always brought up short when a media person or foundation officer snaps to the fact that you're with HCCS and hangs up the phone.
- This department (Media Public Relations) has been for all practical purposes non-functioning for the last couple of years and HCCS has suffered for it in terms of Public Relations. They are in the process of hiring all new leadership, but what is taking so long? HCCS's image in the press is not a good one, and that is something

that could be repaired by effective Public Relations/Communications Departments. Low morale in this department has affected the entire college. HCCS has hired consultants who have come up with a less than mediocre ad campaign which only proves how out of touch HCCS is with its population.

- These areas are just recently receiving the attention and fiscal support needed. Public and media relations are currently being strengthened to enlighten the public to what we really do.
- I rate public relations as poor to average. I know the system is hiring a new administrator for this area, but way too late and lots of new ground to cover (it needs more than one person). One person should work with CEOs and the other should work with everything else - it's too much for only one person to cover a city this large. B*e* sure someone quizzes/interviews the Alumni Affairs staff person. She does not get appropriate support from supervisors so her outcomes may not be as good as they could be if supervision and oversight and personnel differences were resolved. Her heart is in the right place - she just needs administrative support, something that is lacking system wide. Are student satisfaction survey results reported regularly in the college newspaper? If not, why not? This could be used in PR packets and new student inquiries, and would publicly measure and report our performance to our stockholders - the students. It is also a good measure for self-improvement. Public Service Grade: D- We should be utilizing HCCS-TV for 24/7 programming/publicity for HCCS. The General Manager is a good manager - I knew him at the ACCESS channel. He is not getting to "show his stuff." He's capable of much more - what "gate-keeping" is HCCS administration doing? Media relations: We need to get a full-time person in soon or we won't be ready for the bond election. It takes longer than one year to make it happen, and our facilities are either great or pitiful, depending on the campus/building. If we don't keep up with the times/competitor, North Harris Montgomery Community College will recruit many of our students.
- Public relations are deficient. I recommend that one member of faculty, staff, administration should be an active participating member in each civic, service, and social organization in each college's geographic area, plus system participation. Participation includes attending meetings and bringing speakers from the college for presentations including governmental activities, citywide businesses, and similar groups.
- Community involvement is very good at HCCS. I personally have participated in numerous activities. Our public image is improving.
- It would be good to have an expanded marketing program specific to each college.

- The College should document its success with short clips featuring students - we have great stories that would make great PR, but they go mostly unheard.
- The new approved strategic plan appears to be stalled and this is creating issues at all locations of the college for public relations.
- As a community-based organization we believe that HCCS needs to become more involved with the community. Westloop campus is located in an area where there are lots of Hispanic students that come from Lee High School and Sharpstown High School. Do more advertising with the schools. An idea - do an Education Fair involving the community organizations, HISD and Universities. This way parents can understand more about what HCCS offers (certification, majors, associates degrees, etc.). We are very pleased with a new project that HCCS is going to help us with, bringing Lee High School seniors during the Spring of 2003 and giving them a prep-college course. These are activities that help the student, the school, and HCCS.
- This area is not functional and they are paying the executive director of Marketing $400.00 a day (wasteful of taxpayers' money). The college is not advertised via any form of communication. The current executive director does not work with any of the colleges; that can be seen with the TSPR. The only form of communication used to inform the public was a flyer mailed to certain individuals and an ad in the Houston Chronicle on one day. We do not have any HCCS signage on billboards to inform the citizens of Houston that we exist as a community college in the City of Houston.
- Public Relations stinks! Colleges' PR (Community Resource Development) are different - some are good, while others are round pegs in square holes!

Appendix D
PUBLIC FORUM COMMENTS

X. Plant Operations and Maintenance

- Funding needs to be realistic; buildings need to be safe for students.
- The maintenance group is excellent - no problems. Security here is also good.
- The Southeast College plant operation is the best in the system. This is noticed by faculty, staff, and students.
- Facilities are not standardized system wide. Facilities does not communicate down to the colleges.
- Central College is falling apart. There are bad lights, chairs, facilities, and bathrooms. Departmental facilities are fixed with departmental monies. Landscaping could help too.
- We need better signs and notices about safety. There must be better safety implementation by techs regarding loose wires between computers. There must be better lighting and cleanliness at all campuses, and better student study or relax areas provided at all sites. We need better space provided for FT and OT support personnel.
- Facilities at SE are great, but the other campuses are greatly lacking in comfort level and hygiene. We do need more classrooms and buildings.
- As a longtime employee at Central College I am dismayed by the old facilities that we teach in, compared to new facilities that have been built (e.g. Stafford, West Loop, Town & Country). Maintenance has been a big problem and we need more space, updated labs, etc. Monies have been set aside for Central College, however there has been a big delay in implementing the renovation and building project. Also, Central needs a larger library and a cafeteria or food service.
- HCCS must do better long-range planning to accommodate for growth and expansion in certain areas. In other low enrollment areas, facilities have been under-used. The parking problems in certain popular locations must be addressed and solved.
- Facilities need to be evaluated and upgraded for a "learning college" environment. Again, needs are addressed but RFP procedures delay the process and may not always work for the college or student. Initiatives to build new facilities are supposedly in the works and yet the funds are not adequately being disseminated to the facilities that urgently need renovations. Plus, vendors or contractors that can do the job for cheaper are being by-passed because the board decides for a more expensive

- subcontractor that is not the most cost-effective. Are we really trying to upgrade our facilities and keep costs low or build to comply with demands for only the areas where the board sees fit?
- Central College's facilities have been neglected and allowed to deteriorate for several years as the system puts its resources into developing the facilities of the other colleges (NW, SW, NE and SE). While much of what has been built for other colleges was needed, the neglect of Central College is shameful. During preparation for the SACS review we were told that the Board of Trustees had set aside a substantial amount of money (approx. $32 million) and that plans had been drawn up to address the facilities needs of Central College. What is the status of these plans? Is the money that was set aside still available to be used for Central College? Students who attend classes at Central deserve facilities that promote their learning and success.
- More custodial maintenance operations are needed.
- Police the parking lot! There are too many students in faculty lot or in street.
- The faculty needs to be more involved in all aspects. Needs assessments should be conducted before land is purchased and campuses built (i.e. Codwell Hall). Campuses serving the greatest number of students, and with enrollment growth, should receive extra funding. Most campuses are well-maintained and in good condition. Safety and Security are continuing issues. HCCS police officers and security personnel should be more mobile, checking parking lots and less used parts of buildings. Having bicycles for officers is great. It would be even better if they rode them.
- Maintenance workers are needed in most of the college campuses that have more students. Restrooms should be cleaned more often. Physical facilities for classrooms, parking spaces, and student use areas should be increased, especially given the growing student population. Katy, Spring Branch, Alief, and maybe Sugarland should be encouraged to join HCCS. The system should not scrimp on security issues, especially in high crime areas, e.g. Central College.
- Maintenance is uneven throughout the colleges. Westgate is superior, while T&C is just adequate, and Central is very bad.
- TSCS has improved with the recent addition of trained management personnel. There is a generally hostile and poor relationship with the campus coordinator. The campus coordinator is not a problem solver. We are given the opportunity to discuss build-out staff, but our recommendations and needs are often ignored.
- HCCS needs more parking spaces.
- They should make bigger parking lots because every time I come I can hardly find a place to park.

- Although we are working hard to keep buildings clean and operating smoothly it always seems that central administration staff is not very sensitive to the individual college needs.
- Cleanliness is very much needed at several sites. Some sites are very well maintained!
- Facility planning has been excellent. The process was well thought out and facilitated. Additionally, we not only have a deferred maintenance program, but a plan for declaring property samples, identifying parcels to be bought and sold and closing facilities.
- How can we best reduce the unclaimed property we report and what is the best way to do this without overtime?
- It is widely rumored that a new police academy building will be constructed next to Codwell in the very near future. It is also widely rumored that the Codwell building does not earn enough money to support itself. If this is true, why isn't the Codwell building used as the police academy building?
- The Northline Mall facility seems to have as many students as it can handle. Why isn't the space at Northline expanded?
- Decisions about money at HCCS during my 14 years here are too often political and illogical. Example: West Loop Campus is only partially built despite clear need for more classroom space there. If cash management followed institutional need, the system would be stronger. Board members elected by single member districts are inclined to withhold support from areas they see as competition to theirs rather than view the health of the system as a single picture.
- Concerns arise to the centralization of maintenance supervision - creating a dual reporting standard. Smooth operation is also hampered by an organization that has not addressed vital areas, specifically at Central College.
- The system has developed a comprehensive safety program - comprehensive, yet cumbersome.
- Related to construction, processes have not been in place to review different construction options. There appears to be an effort to limit options based on Board desires to hire only local vendors. Questions arise to fairness and equity.
- Are workstations up to all OSHA standards with respect to computer wires/cables under desks so that employees will not trip/fall? Especially those attached to surge protectors under desks?
- Telephones should be available in kitchens/lunch rooms (3100 Main) for internal use only (to HCCS police) in case of fire. Do regular employees know what to do if they smell smoke or any other noxious odor or in case of a disaster? Especially when it affects elevator service?
- Are there sufficient closed-circuit cameras on all campuses/facilities to prevent crime or provide early intervention if it is needed? How well do students know about police escorts to

vehicles during the evening hours? Is there easy access/sufficient telephone access to police escort services on each campus? For special events where faculty or students are involved, develop a disclaimer or system policy for people who work until late at night and leave HCCS facilities, especially employees who are volunteering. I had an employee leave a special event set-up at 2 a.m. and drove 30 minutes home. What is the college's liability if the person volunteered immediately following the workday? Is HCCS at risk if there had been an accident?

- Are the culinary school students trained each semester regarding fire/safety procedures (new students are at 3100 Main each semester)? Are there an adequate number of fire extinguishers and is the kitchen up to restaurant code for safety and standards? (The food is great!) Just want the baby chefs protected!

- As a former Fire Warden, I strongly encourage the college to have frequent continuous quality improvement regarding fires and disasters. There still seems to be significant confusion for fire drills. Many staffers don't leave their desks immediately following the bell ringing. Increase the number of fire wardens per floor. Establish regular fire drills. I recommend one per quarter at 3100 Main because of turnover in HCCS and tenant employees, and have more monitors on floors to evaluate response rates (even have a contest by floor to see who's the fastest to evacuate). We are not sufficiently prepared for a real disaster.

- Generally speaking, the HCCS Police Department is one of the most well-organized, professional groups of men and women I've been exposed to with respect to law enforcement personnel. They are friendly, fair, and fearless! Most go over and above the call of duty for security purposes as well as special events. I'm not sure who the interim captain is, but he or she is doing a great job!

- The Community and Resource Development office is not efficient. All work is outsourced. It would be beneficial to perform the work in-house. The director (of CRD) is not capable of performing the work that is needed, so it is outsourced. A great deal of money is spent in this area, but the results are not measured.

- Facility planning at 3100 Main continues to improve as the building has moved further into completion. All of the maintenance workers at 3100 are friendly, helpful, eager to please and cooperative! A/C people are very nice about keeping different sections at the preferred temperatures (cooler/hotter). A/C subcontractor is always pleasant. Cleaning people on 12th floor are hardworking. They are closely supervised, but the actual employees are very nice.

- Teachers and administrators involved in individual programs should be consulted when planning new facilities. Maintenance should be kept up on current facilities.

- Plant operation and maintenance is an area that could be looked at a little closer by perhaps having the custodians certified with specific licenses that would enable them to save the system dollars by doing the repairs in-house.

Appendix D
PUBLIC FORUM COMMENTS
XI. Auxiliary and Service Departments

- Bookstore services are atrocious. Students sometimes have to wait for six to eight weeks for their books to come in. Then they are all the wrong books. Or students are given the wrong book for classes and cannot get a refund because the time limit has passed. We need food services at all campuses, not just Central. Overall, HCCS appears to be more interested in administration than students. They have forgotten that without students, staff, and faculty the college disappears.
- All colleges should have the same services like recreational activities.
- No child care for students.
- Not enough areas are set aside for student and faculty.
- Childcare is an issue that needs improvement.
- The bookstore holds a monopoly on food services. Some vendors are not allowed on campus. Also book prices are too high compared to other bookstores in the Houston area. There is insufficient office space.
- Food Services are non-existent, and the vendors are too high.
- There should be daycare for students and staff. We should offer an affordable way for students to eat if we are going to have them here all day. The bookstore is too expensive for the average student.
- There is no housing. There is no food service. Auxiliary services for students and staff are either non-existent or non-functioning.
- Book prices are sky-high - the single vendor can do whatever it wants. Students are the ones penalized. Most of our students have financial constraints. We desperately need food service at central. There are 14,000 students and employees, many of whom ride buses or depend on rides, and they should not be stranded on campus with no food (except in the bookstore or vending machines).
- Food Services are minimal for central. Students need more of a college environment that offers hot meals and learning centers. RFP processes are always in the works, but only delay the process and in the meantime the student goes without food service. The bookstore is an area that must be looked into and not be monopolized by Barnes and Noble. The book charges are high and students need a more student-friendly bookstore with options to shop for lower cost books.
- Photocopying of course materials (syllabi, exams, handouts, etc.) has been a frustrating experience for years. The machines available

for use by faculty at central seem to work irregularly at best. Why hasn't a more reliable copy service been provided? While the University Copy Center (located on the ground level of the parking garage at 3100 Main) provides reliable service, it is also more expensive to use. Out of concern for the impact on our department budgets, faculty members endure the frustration associated with using unreliable equipment on campus.

- There is no place at Central college for food or coffee - thus nowhere to mingle and build comradeship.
- When the culinary program was located in the San Jacinto building at Central, students, faculty, staff, administrators and anyone visiting campus had a wonderful opportunity to enjoy hot, nutritious meals on campus. However, when the new system headquarters at 3100 Main became operational, the culinary program was moved to that location. While the culinary program benefited from this move (the facilities at 3100 Main are vastly superior to those that were available at Central), those of us who come to Central College have been left without adequate food service.
- The HCCS bookstore did not have any of the books that I needed for my Audio Tech classes. They came in three weeks after school started. The music lesson/practice rooms need to be more available for practice.
- The parking lot is too dark and unmonitored. We are not on a bus route. There are no ATM machines nearby.
- The student lounge is the exact opposite of a lounge: you can't lounge in there. We do not have a cafeteria, especially one affordable enough for students. The bookstore is too expensive.
- HCCS bookstores have marked up too high of a profit margin. The mail center has not obtained consensus in forcing the use of specific envelopes.
- Mail services at HCCS are pretty good. Copying can be a problem sometimes, especially for campuses like Town & Country, where the population of staff is very large.
- We lack food services.
- There needs to be a student area for hanging out and posting things like jobs, things for sale, parties, etc. I know there is a little kitchen, but it is not a "community living room". I feel like I am only here to memorize information from a book. College is much more than that.
- It is high time someone did something about the high prices the bookstore is charging students. Libraries all over the system are doing an excellent job, in spite of physical facility limitations. With the increasing student population, libraries are getting more and more crowded, especially in the Northwest and Southwest colleges. Access to library databases 24 hours a day, seven days a

week for faculty, staff and students is a definite improvement in library services.

- I would like to have a bigger cafeteria, with the possibility of taking a lunch there.
- We need a bigger cafeteria.
- Bookstores - the profit margin for books (40%-50%) is too high. What happens to the funds going to HCCS?
- Daycare center? Maybe just some limited hours to start. Let's think about it. There should be more opportunities for students to mingle after class, although I realize this can't be forced. Books are very expensive. How about a student co-op to help out here?
- There needs to be housing.
- In my personal opinion, I like HCCS because they have a great lab. They also have a very good library here. They also have good resources and a wonderful student lounge in school. Students can take lunch or do some homework there as well.
- A problem here at TSCS is the lack of a reasonably priced place for students and faculty to eat. Getting something printed such as posters, brochures, etc, is too expensive and takes too long.
- We need a deli at this campus. Going to Chili's and Bennigan's every day is too expensive.
- We need books in the bookstore faster - not two or three weeks after the semester begins. When the faculty tells bookstore of unneeded books, they should be promptly removed from the shelves so students won't buy them.
- We need a deli or a cafeteria.
- Bookstore prices are marked up too high. There is poor food service for faculty and students. At the Town & Country center, there is no place for faculty of staff to eat.
- Copying resources are inadequate. The bookstore is a monopoly - unfair to students. The 30-50% profits on texts are obnoxious. Mail services are adequate.
- The school does need a cafeteria or a place with food selections.
- Each site should have staff and student areas for study, reviews, etc. The bookstore overcharges students to an extreme. This needs to be looked at seriously. Mail services and copy services are good, although more copy machines at each site are needed (2-4 depending upon size).
- Food services are very limited outside of NEO Café. There is no space for food services or current spaces are not configured for food services. Space affects all these services. Copying needs to be computerized and other services expanded.
- Printing and Copying - To the best of my knowledge, they provide above average services. I have not used their services much but my limited experience has been good.

- Bookstore - Limited experience, but students who are employed at central campus need a little customer service training. They're not abrupt but need to be more user-friendly.
- Mail Services (12th Floor) - needs individual mailboxes. Student interns from Students with Disabilities Program are fabulous!
- Food service at many sites is non-existent or very poor. Maintenance of copy machines is very poor at many sites. This causes many delays in information dissemination and class use, and creates lost time (while looking for a machine that works).
- Printing and copying should be centralized. Each department has its own copier, and this may not be cost-effective. It may be helpful to have a college copy center for bulk copying.
- This is an area where I would like to see some improvement in terms of food services. Campuses should be better equipped to offer students choices. Fortunately, one campus is located near caterers, but other campuses are not as equipped.
- Students tell me that textbooks are too costly because they can purchase the same textbooks at other stores and on the Internet for less money.
- Services are improving! Still need to organize and streamline the process. Also, must do bulk processes for economic gains!
- Food services are virtually non-existent, even on the larger campuses. HCCS should consider contracting out to major vendors to provide a much superior variety of food and beverages to the assortment of often out-of-order vending machines which exist today.