Chancellor’s Update
July 27, 2020

Lone Star College Employees:

We continue to monitor the local virus situation very carefully. I know that you’re aware of the continuing surge in active cases, the delays and options for school districts and the impact on our local, state and national economy.

I realize the immense strain that all this is placing on our employees, students and our country. If everyone will do their job at Lone Star College, we can contribute by helping our students move forward while being good stewards of taxpayers’ money.

Regards,

Steve Head
Chancellor

Schedule
While we do have plans to have a planned, deliberate and gradual return to campus for most of our employees, any final decisions depend on the general situation.

Our plans at the moment are to have very limited returns to campuses for some employees starting August 3. Many students need to talk with someone in person for advising, financial aid applications and college issues in general. Individual campuses are developing plans based on system wide guidelines, CDC recommendations and a high priority for the health and safety of students and employees.

We are starting classes on August 24 as scheduled—50% online, 25% hybrid and 25% face to face.

As noted previously, we will enter the fall semester requiring employees and students to wear masks and practice social distancing in accordance with approved guidelines.

Enrollment
With 30 days to go before classes resume, we are -6.3% in students and -8.4% in credit hours (tuition and fees). An alternative way of looking at this is the fact that we have registered for 100 days, and compared to last year, we have a 9% increase in students and 7.9% increase in credit hours. The credit hours are critical to us because of the finances. Each percentage point up or down is worth $1.2 million. So, we have a gap of either -$10 million or +$9 million. These two methods of looking at enrollment normally start merging the closer we get to the start date.
The very positive news is that our summer credit hours increased 11%. We hope that’s a sign of what might happen this fall.

Based on the trends, I believe that there will be plenty of opportunity for adjuncts to teach going forward. That is especially true for those willing to teach online.

**Budget**
The impact of all this is that we’re budgeting for a 10% decline or a revenue loss of about $12 million from the previous year. That loss is offset by the across the board budget reduction of 5% or about $14 million. As you know, we have also had budget and hiring freezes and have eliminated about 50 vacant positions. We have another 60 or so that we’re holding until early next year.

Assuming that we have a 10% decline, we will be in sound financial shape for the 2020-21 fiscal year. We have assumed a 5% state reduction in revenue, continued freezes and no compensation increases for 2020-21. We have funds in reserve to cover costs from a $50 million hurricane, should that occur.

We are watching the State of Texas budgets carefully. The State legislature meets starting in January 2021. As you’ve read, the State is expecting a $4-5 billion shortfall and while there are reserves to cover that deficit, we’re not expecting any measurable increase in State support for FY2022 or FY2023.

In other words, as we look at our budgets, we are looking at a three-year window of perhaps lean financial years. Federal stimulus money has helped students and thus far covered the extra costs of COVID and computers. There is probably more on the way, but we have a much longer time period for budget issues.

We made decisions early on that have put us in a good position to weather the storm, but we will continue to take a very conservative approach to our own finances. We do have reserves and will use them as needed in combination with other actions.

I’ve noted this in virtually every newsletter, but the unemployment rate in the Houston metro area continues to hover around 14%. To my consternation, we are aware that some LSC employees are simply not contributing to any measurable degree. We will be addressing these issues to ensure that everyone is doing their part.

**Diversity, Equity and Inclusion**
A committee chaired by Dr. Wright and Dr. Blanson has submitted recommendations for specific action at Lone Star College. Over 80 individuals worked on the proposal and over 400 employees were engaged to some degree. I was very pleased with the positive recommendations and the general tone of the report. I will forward those to you later this week and have asked the co-chairs to address the Board of Trustees at the August meeting.

**Online Campus**
We are exploring what a more unified online system would entail in the future. Dr. Dwight Smith
headed a committee of campus faculty, staff and administrators earlier this summer that developed a number of recommendations that will be used as the foundation for a system wide plan. Most of us realize that having all seven campuses developing unique systems and criteria for online is not a good strategy for our future. Given the fact that we will most likely be at least 50% online going forward, we want a more system approach for our students utilizing the best practices currently in place.

**Communication**

As we get closer to the start of school, I will send out short weekly updates. In the meantime, please take care of yourself and your family. It appears that we have months to go before we emerge from this. I know that many of you have concerns beyond what is occurring at the college. We’re working to ensure that our finances remain strong and our campuses safe for the benefit of employees, students and the community.