AGENDA ITEM 8.I.

RE: Approval to Use 100% of 2026 Operating Surplus Funds to Fund Deferred Maintenance Projects

STAFF RECOMMENDATION: It is recommended that the Board of Trustees approve the allocation of one hundred percent (100%) of the Fiscal Year 2026 operating surplus funds to deferred maintenance projects in support of the priorities and recommendations identified in Laredo College's 2026–2036 Facilities Master Plan.

BACKGROUND: The Laredo College Board of Trustees approved the 2026–2036 Facilities Master Plan to provide a long-term framework for addressing the College's facility, infrastructure, instructional, operational, and campus development needs. The Plan identifies facility conditions and priorities intended to guide the College's capital investment and deferred maintenance decisions over the next ten years.

As part of the College's ongoing commitment to responsible stewardship of its physical assets, the Administration recommends allocating 100% of the Fiscal Year 2026 operating surplus, as determined upon completion of the fiscal year-end financial closing process, to deferred maintenance projects that support implementation of the Facilities Master Plan.

The allocation will provide a dedicated source of funding to address prioritized facility repairs, building systems, infrastructure improvements, equipment replacements, life-safety needs, accessibility improvements, and other deferred maintenance requirements consistent with the Facilities Master Plan.

Directing the operating surplus toward these priorities will allow the College to begin and/or accelerate implementation of the Facilities Master Plan, reduce the accumulation of deferred maintenance, extend the useful life of existing facilities and infrastructure, and strategically preserve the College's physical assets for current and future students.

BUDGETARY CONSIDERATIONS: The fiscal impact will equal 100% of the final Fiscal Year 2026 operating surplus, as determined after completion of the year-end closing process. The funds will be designated for deferred maintenance projects and expenditures consistent with College priorities and applicable procurement requirements.

CONTACT PERSONS:
Dr. Minita Ramirez, President
Mr. Cesar E. Vela Jr., CPA, Vice President of Finance and Administration
Ms. Lynda Gomez, Director of Accounting