

**San Jacinto College District Board Workshop
August 6, 2018
District Administration Building, Suite 201**

MINUTES

	Board Workshop Attendees:	Board Members: Erica Davis Rouse (arrived during closed session), Marie Flickinger, Dan Mims, John Moon, Jr., Keith Sinor, Dr. Ruede Wheeler, Larry Wilson (arrived during closed session), Chancellor: Brenda Hellyer Other: Teri Crawford, George González, Mandi Reiland, Laurel Williamson, Teri Zamora
	Agenda Item:	Discussion/Information
I.	Call the Meeting to Order	Board Chair, Marie Flickinger, called the workshop to order at 4:50 p.m.
II.	Roll Call of Board Members	Marie Flickinger, Erica Davis Rouse Rouse (arrived during closed session), Dan Mims, John Moon, Jr., Keith Sinor, Dr. Ruede Wheeler, Larry Wilson (arrived during closed session),
III.	Adjournment to closed or executive session pursuant to Texas Government Code Section 551.074 and 551.073 of the Texas Open Meetings Act, for the following purposes: Personnel Matters and Prospective Donation	Adjourned to closed session at 4:52 p.m. a. Personnel Matters - For the purpose of considering the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear complaints or charges against a public officer or employee. <ul style="list-style-type: none"> • Validation of evaluation ratings for members of the Strategic Leadership • Other Personnel Matters Brenda Hellyer present for this item. b. Prospective Donation - For the purpose of considering a negotiated contract for a prospective gift or donation. Brenda Hellyer present for this item.
IV.	Reconvene in Open Meeting	Reconvened in open meeting at 5:33 p.m.
V.	Review of Legislative	Teri Crawford and Teri Zamora were present for this item.

	<p>Appropriations Request</p>	<p>Brenda Hellyer explained that the response to the Legislative Appropriations Request (LAR) was due to the Legislative Budget Board (LBB) in the Governor’s office on Friday, August 3, 2018. A copy of the submitted statement was distributed to the Board for review as an informational item. The LAR requires a comment about significant changes in the provision of services by the College. Our statement explained the transformational change that continues to create efficiencies and provide value to our students and our community. Several items of significance were highlighted in the statement including:</p> <ul style="list-style-type: none"> • Broadly implementing Open Educational Resources providing more effective and faculty-driven resources for students in their course work while significantly reducing the cost of textbooks to students. • Implementation of Guided Pathways across the College. This streamlines degree programs and cross references university transfer programs with our top two transfer universities. This helps students navigate schedules and choose courses that will transfer to their desired degree program. • San Jacinto College is systematically and carefully increasing eight-week course offerings to help students complete their courses and encourage part-time students to take one extra course during the 16-week semester. • Implementation of "Aid Like a Paycheck" and financial counseling are moving to a second year at scale after some adjustments the College will implement based on Fall 2017, Spring 2018, and Summer 2018 results. This work has helped students reduce debt and the College will continue tracking with the adjustments being implemented for Fall 2018. • San Jacinto College will continue work on safety and security measures for students and employees. The College has initiated some of this work and continues to work through assessment and funding to update priority items. • San Jacinto College is working with Houston-area businesses and higher-education institutions to update curriculum, to implement initiatives that foster innovation and advanced manufacturing, to upskill current workers, and to train an incoming
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		<p>workforce for the highly technical jobs that this region would like to attract.</p> <p>Brenda also explained that the College was required to include demographic information and the purpose for any new funding requested. San Jacinto College included a statement indicating its support for the \$1.9 billion formula funding request submitted by the Texas Association of Community Colleges (TACC) in its letter dated July 24, 2018. With additional funds the College will: continue the implementation of Guided Pathways, continue the implementation of Open Educational Resources, implement safety and security measures on all campuses, and continue at scale the Aid Like a Paycheck program (including financial counseling for students wishing to use loans to supplement their educational costs). The LAR also required a statement that background checks are conducted on all candidates to be hired by the College as permitted by the Texas Government Code, Sec. 411.094 and Texas Education Code.</p> <p>Brenda reviewed the remaining required pages of the submitted legislative appropriations request which includes: organizational chart, budget base request, and enrollment data, and number of employees enrolled in state benefits programs.</p> <p>Brenda referenced the Texas Community College policy priorities for the 86th legislative session and the TACC approved formula recommendations for community colleges for the FY 2020-2021 biennium. The FY 2020-2021 formula recommendations adopted by both the TACC and Community College Association of Texas Trustees (CCATT) Boards are fully aligned with the formula recommendations adopted by the Texas Higher Education Coordinating Board (THECB) and the Community and Technical Colleges Formula Advisory Committee. The total recommendation is for an increase of \$144.8 million to \$ 1,912.2 million for the biennium. This funding level will enable the colleges to meet the goals of the 60x30TX plan. The recommendations include: funding an increase based on projected growth in contact hours and success points, adjusted 1.7 percent for inflation; funding the contact hour formula at a rate of \$5.49 per contact hour for the biennium; funding success points at \$215 per point (this is a 25% increase from the current rate of \$172);</p>
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<p>VI.</p>	<p>Review Unrestricted Net Position and Cash on Hand Recommendation</p>	<p>Teri Crawford and Teri Zamora were present for this item.</p> <p>Teri Zamora reviewed the unrestricted net position and cash on hand recommendation. She reviewed the comparison between cash/investments and net position. Teri Z. explained that adequate liquid reserves relative to debt and operating expenditures are important to ensure continued operations of the College in the case of a financial challenge. She estimates that the College has approximately six months in cash reserves. Maintaining adequate cash reserves is important for the College to mitigate the following: operating risk, funding/legislative risk, event or business disruption risk, and competitive risk.</p> <p>Additionally, bond rating agencies and lenders assess the adequacy of an institution’s liquid reserves as a primary metric in the assignment of credit ratings. San Jacinto College’s current general obligation bond ratings are: S&P: AA Moody’s: Aa2</p> <p>Keith Sinor asked if the state could access these reserve funds and if it is likely to happen. Teri Z. explained that it is unlikely that the state would access the funds and would be dependent on changes in laws from the legislature.</p>

		<p>Such changes would not be just directed at San Jacinto College but would have to apply to all governmental agencies.</p> <p>Teri Z. explained further impact on unrestricted net position. Similar to GASB 68, which dealt with pensions, GASB 75 deals with the liability related to the cost of health insurance and other benefits provided for retirees. GASB 75 will be implemented as of August 31, 2018, and all community colleges in Texas are awaiting final information from ERS to make the appropriate entries. Most community colleges in Texas are expecting to have negative Unrestricted Net Position following implementation of GASB 75. After implementation of GASB 68 and GASB 75, Unrestricted Net Position ceases to be a good measure of financial health for governmental institutions. The Board will receive updates on GASB 75 impact after additional information is received.</p> <p>Teri Z. stated that the recommendation is to continue to be conservative in spending and review appropriate financial health measures periodically. Also, the recommendation is to establish four to six months of each year’s current annual unrestricted and auxiliary budgets as the target level for the College’s cash on hand.</p> <p>Brenda explained that a policy on finance standards that is being sent to the Board for first reading at tonight’s meeting. This policy has been distributed to the College community for input.</p>
<p>VII.</p>	<p>Review Texas Higher Education Coordinating Board (THECB) Almanac 2018 Comparison Metrics for San Jacinto College</p>	<p>Laurel Williamson and George González were present for this item.</p> <p>George González reviewed the THECB Alamac 2018 comparison metrics for San Jacinto College. This data supports Goal 1, 3, and 5 of the Strategic Plan 2016-2018.</p> <p>In the group of ten largest community colleges in Texas, San Jacinto College had the highest 3-year and second-highest 6-year full-time student graduation rates and the highest 3-year and 6-year part-time student graduation rates. San Jacinto College ranked first on three of the four graduation rate measures.</p>

		<p>In the group of ten largest community colleges in Texas, for students who graduated from an academic program, San Jacinto College ranked highest in the percentage of who are employed and enrolled in higher education in Texas.</p> <p>In the group of ten largest community colleges in Texas, for students who graduated from a technical program, San Jacinto College ranked highest in the percentage of who are employed and/or enrolled in higher education in Texas.</p> <p>In the group of ten largest community colleges in Texas, for students who had a Texas Success Initiative (TSI) Math obligation, San Jacinto College ranked highest in the percentage who met their TSI Math obligation.</p> <p>From Academic Year (AY) 2013 to AY2017, the average time to earn an associate degree for San Jacinto College graduates has decreased from 4.5 years to 4.1 years. Over that same timeframe, the average semester credit hours (SCH) to associate degree has decreased from 94 to 87.</p> <p>The group discussed how the amount of data and reliable information available has increased in the last ten to twelve years. The review of this data has been an important factor in understanding gaps in performance.</p> <p>Brenda discussed the additional data that is available to Board members at the back of their handouts. She specifically called attention to the Pell data. This is an area that the College needs to work on.</p> <p>Erica Davis Rouse asked about if the application for the Pell grant is defaulted. Laurel Williamson explained that legally you cannot default it. Brenda clarified that the form is complicated, and we have working group looking for ways to educate and simplify the process for students. We are working with school districts to find ways to encourage more students to complete these applications.</p> <p>Brenda explained that George is currently analyzing data on student debt and how that amount is being calculated. The Board Members expressed that they would like to see additional data on categories where the College is not in the top performance. The Board would like to see the good and bad data.</p>
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VIII.	General Discussion of Meeting Items	<p>Brenda asked if there were any items from the meeting agenda that the members would like to review.</p> <p>Brenda provided clarifications on the banking signatures and resolutions. This action is to add Teri Zamora and Dianne Duron as signing authorities.</p> <p>Teri Zamora explained that the investment policy would usually go to the finance committee for review prior to full Board review and approval, but we did not have a meeting last month.</p> <p>Brenda stated that an update would be provided to the building committee on the status of the recent delegations of authority.</p>
IX.	Review of Calendar	Brenda reviewed the calendar with the Board.
X.	Adjournment	Workshop adjourned at 6:54 p.m.