

San Jacinto College District Board Workshop December 4, 2023

The Board of Trustees of the San Jacinto Community College District met for a Board Workshop at 4:45 p.m., Monday, December 4, 2023, in Room 201 of the Thomas S. Sewell District Administration Building, 4624 Fairmont Parkway, Pasadena, Texas.

MINUTES

	Board Workshop Attendees:	Board Members: Dr. Michelle Cantú-Wilson (absent), Erica Davis Rouse (absent), Marie Flickinger, Dan Mims, John Moon, Jr. Keith Sinor, Larry Wilson Chancellor: Brenda Hellyer Other: Sandra Ramirez, Mandi Reiland, Teri Zamora, Celina Cereceres (Auditor), Andrew Jennett (Auditor), Carin Hutchins, Laurel Williamson
	Agenda Item:	Discussion/Information
I.	Call the Meeting to Order	Chair Flickinger called the workshop to order at 4:46 p.m.
II.	Roll Call of Board Members	Board Chair Flickinger conducted a roll call of the Board members: Dr. Michelle Cantú-Wilson (absent) Erica Davis Rouse, Assistant Secretary (absent) Marie Flickinger, Chair Dan Mims John Moon, Jr., Vice Chair Keith Sinor, Secretary Larry Wilson
III.	Adjournment to closed or executive session pursuant to Texas Government Code Section 551.071 and 551.074 of the Texas Open Meetings Act, for the following purposes: Legal	Chair Flickinger adjourned to closed session at 4:47 p.m. The Board members listed above as attending, Chancellor Brenda Hellyer, Teri Zamora, Sandra Ramirez, and Mandi Reiland were present for the closed session. a. Legal Matters - For the purpose of a private consultation with the Board's attorney on any or all subjects or matters authorized by law. It was determined after the time of posting that a consultation with an attorney was not needed.

	Matters and Personnel Matters	<p>b. 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.</p> <ul style="list-style-type: none"> • Review Results from the Board’s Self-Assessments This item was tabled.
IV.	Reconvene in Open Meeting	Chair Flickinger reconvened to open meeting at 5:26 p.m.
V.	Discuss Action Steps from the Board Self-Assessment Process	Dr. Brenda Hellyer announced the Board’s Self-Assessment review will be postponed until January. The evaluations have been completed, but the discussion and action steps will take place in January.
VI.	Review of 2022-2023 Annual Comprehensive Financial Report	<p>Carin Hutchins, Celina Cereceres, and Andrew Jennett joined the workshop.</p> <p>Teri Zamora introduced Celina Cereceres, Andrew Jennett, and Carin Hutchins who led the preparation and finalization of the 2022-2023 Annual Comprehensive Financial Report (ACFR).</p> <p>Celina provided an overview of the annual financial statement audit and federal and state single audit. She presented on the audit process, results of the audit, and financial statement highlights. The purpose of the financial statement audit is to express an opinion as to whether the financial statements are fairly stated and presented in accordance to generally accepted accounting principles. The College’s financial statements received an unmodified “clean” opinion. There were no internal control findings related to financial reporting and no findings related to compliance.</p> <p>This year, the College spent \$75 million in federal funds and \$3 million in state funds. Major programs tested in the federal and state single audit included:</p> <ul style="list-style-type: none"> • Federal Major Programs <ul style="list-style-type: none"> ○ Higher Education Emergency Relief Fund (HEERF) and Governor’s Emergency Education Relief (GEER)

		<ul style="list-style-type: none"> ○ Hispanic Serving Institutions STEM and Articulation Programs/Developing Hispanic-Serving Institutions ○ H-1B Job Training Grant ● State Major Programs <ul style="list-style-type: none"> ○ Texas Educational Opportunity Grant (TEOG) <p>Celina commented that there were no findings in any of these categories when performing the audit.</p> <p>Celina provided a high-level overview of the College’s statement of net position and additional data points. She explained that FY23 had a net position of \$83 million, which is an increase of \$4 million compared to FY22. The College’s proportionate share of the Net Pension Liability (NPL) based on the Teacher Retirement System of Texas (TRS) for FY23 was \$50 million. She noted that information utilized annually for this calculation lags one year statewide due to information from TRS not being available until a year later. The College’s proportionate share of the Net Other Post-Employment Benefits (OPEB) liability based on the Employees Retirement System of Texas for FY23 was \$96 million. The College’s total revenues for FY23 total \$299 million, which is an increase of \$18 million from FY22. The College’s total expenses for FY23 total \$296 million compared to \$288 million in FY22.</p> <p>Celina provided an overview of required communications and covered significant risks and accounting estimates. There were no disagreements with management regarding the application of accounting principles and estimates of any auditing or financial related matters. Celina thanked the San Jacinto College team for their willingness to cooperate and answer all questions in a timely manner.</p> <p>Brenda, Teri, and the Board members present thanked the representatives from Whitley Penn and the College team for their work on the audit.</p> <p>Carin Hutchins, Celina Cereceres, and Andrew Jennett left the workshop.</p>
VII.	Review of Highlights from	Teri provided an overview of the College’s highlights from the 2022-2023 financials. The College had \$92.9 million in

	<p>2022-2023 Financials</p>	<p>unrestricted cash and unrestricted investments in FY23, which is an increase of \$2.8 million compared to FY22. The College had five months of excess cash on hand at the end of August 2023. The College’s total net position for FY23 is \$83.2 million compared to \$79.4 million in FY22. The unrestricted net assets as of August 31, 2023, is negative \$57.8 million, which is a \$5 million decrease from last year.</p> <p>The Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) has set up a schedule to help demonstrate how the Unrestricted Assets Net of Plant and Plant-Related Debt (UNAEP) is calculated to remove the effect of various non-cash liabilities from the College’s Unrestricted Net Asset balance. Teri provided an overview of this schedule and the details of the calculation. She provided a high-level overview of the results from the College’s changes in operating results which includes increases or decreases in operating revenues, non-operating revenues, and operating expenses. The final results show that when adjusted to remove the effects of non-cash liabilities, the Unrestricted Net Position of the College improved from \$87.8 million as of August 31, 2022 to \$93.4 million as of August 31, 2023.</p>
<p>VIII.</p>	<p>Review of Candidates for Member of Harris County Appraisal District</p>	<p>Brenda explained to the Board members that the candidate for member of the Harris County Appraisal District will be voted on during the Board meeting. The four local community colleges share a vote for a nominee for the Harris County Appraisal District. The two nominees being brought forward are Bruce A. Austin and Martina Lemond Dixon. She provided the bios for each nominee and asked if the Board would like to have a conversation or have any feedback to provide.</p> <p>The Board discussed and agreed to nominate Martina Lemond Dixon.</p> <p>Dr. Laurel Williamson joined the workshop.</p>
<p>IX.</p>	<p>Update on Next Steps Related to Senate Bill 17 Compliance</p>	<p>Sandra Ramirez provided an overview of steps related to Senate Bill 17 (SB17) compliance. The Board will have an action item this evening to approve changes made to the College’s Strategic Plan to include language that is compliant with SB17. She explained the language changes</p>

		<p>that are being proposed to shift the focus from diversity, equity, and inclusion (DEI) to a learning environment dedicated to fostering a sense of belonging and excellence. She provided an overview of the SB17 compliance chart which outlines changes the College has put in place to comply with SB17 and the status of each change. This work has taken several employees hundreds of hours since March to put these changes into place. All employees will also be required to take training on these changes to stay compliant.</p>
<p>X.</p>	<p>Review Course-based Competency-based Education Instructional Modality</p>	<p>Brenda informed the Board members they will have an action item during the Board meeting to approve the Course-based Competency-based Education (CB-CBE) Instructional Modality. The wording in the action item in the Board book was revised from four workforce certificates to five workforce certificates in four programs.</p> <p>Dr. Laurel Williamson explained CB-CBE allows students to earn their credit more efficiently by leveraging their individual knowledge, skills, abilities, and experience to accelerate their progress through selected courses and programs. This modality targets working, career-experienced adult learners who have been on a job and have the experience to receive credit toward a certificate or degree.</p> <p>She provided an overview of the process and steps taken to reach the decision to implement this modality including foundational work, advisory committee input, and curriculum development. Students progress through this modality at their own pace through Blackboard adaptive release with assignments being released upon completion. She provided a chart to illustrate a comparison of traditional courses and CB-CBE courses.</p> <p>The College will offer five certificates in four programs: Child Development / Early Childhood Education (1), Construction Management (2), Global Logistics and Supply Chain (1) Medical Laboratory (1). A few factors, including registration process and grade posting process, are still being worked. Once implemented, the first cohort will be reviewed upon completion to consider this modality for scalability within other programs.</p>

		<p>Brenda explained once approved, a letter with the prospectus and an overview of the program development process will be sent to the SACSCOC for approval at their June Board meeting with the anticipated implementation of this program in Fall 2024.</p> <p>Larry Wilson asked if these courses would be online or in person. Laurel responded they will be online but there will be labs and faculty members will be available to assist students who appear to be stuck.</p> <p>Dan Mims commented that this program will be good for employers as well as students.</p> <p>Keith Sinor asked if many community colleges in Texas have this program. Laurel responded she is in the process of looking into this. Some institutions have been doing a small version of this with a niche market. San Jacinto College hopes to be able to implement this at a larger scale with many programs.</p>				
XI.	Review 2024-2025 Academic Calendar	<p>Brenda explained the Board approves the next academic calendar each December. The College attempts to align holidays with the independent school districts (ISD) and was successful in doing so with many of the dates. She stated one recommendation for this year and moving forward is for the College to close for the whole week for the Thanksgiving holiday break. This aligns with our ISD partners and will help address attendance issues with dual credit students during this week. This will also help parenting students and our employees. The academic calendar will begin a week earlier to make up these instructional days leaving us an additional two days if needed for College closure.</p> <p>The Board members were supportive of this change.</p>				
XII.	Update on Issuance of \$4 Million in Bonds	<p>Brenda provided background regarding the issuance in \$4 million in bonds that occurred on November 22.</p> <p>Teri provided an overview of the process for the bond transaction. The tender of funds will occur in the following order:</p> <table data-bbox="743 1808 1268 1881"> <tr> <td>a. November 22, 2023</td> <td>\$500,000</td> </tr> <tr> <td>b. July 31, 2024</td> <td>\$1,500,000</td> </tr> </table>	a. November 22, 2023	\$500,000	b. July 31, 2024	\$1,500,000
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		<p>c. March 31, 2025 <u>\$2,000,000</u> <u>\$4,000,000</u></p> <p>The parties to transaction will be San Jacinto College as the issuer and McCord Development and Generation Park Management District as the purchasers, each owning 50 percent of the bonds. The deadline to post the bond is December 7. The payback will be included in the College’s normal flow of when it pays owed debt. The final maturity will be February 15, 2034, and there will be no interest. She provided an overview of how the dollars will be used to fund the construction of the Center for Biotechnology.</p> <p>Brenda added that there will be a grand opening of both the program at South Campus and Center for Biotechnology at Generation Park on January 26, 2024.</p>
XIII.	Review Chancellor Job Description	<p>Brenda explained some of the wording in her job description was updated. The Board was provided an updated description with tracked changes, and she provided an overview of the changes.</p> <p>The Board members were supportive of these changes.</p>
XIV.	Review of Calendar	<p>Brenda reviewed the calendar and asked the Board members to let Mandi Reiland know if they would like to attend any events. She provided details for commencement and the Foundation holiday party as well as other upcoming events.</p>
XV.	General Discussion of Meeting Items a. Additional Purchasing Support Documents	<p>The Board members had no other questions and no additional purchasing support documents were provided.</p>
XVI.	Adjournment	<p>Chair Flickinger adjourned the meeting at 6:48 p.m.</p>