

**San Jacinto College District Board Workshop
December 2, 2019
District Administration Building, Suite 201**

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| | Board Workshop Attendees: | Board Members: Marie Flickinger, Dan Mims, Keith Sinor, Dr. Ruede Wheeler, Larry Wilson Absent: Erica Davis Rouse and John Moon, Jr. Chancellor: Brenda Hellyer Other: Anita Dewease, Bill Dickerson, Dianne Duron, Allatia Harris, Elissa Posway (Doeren Mayhew), Mandi Reiland, Laurel Williamson, and Teri Zamora |
| | Agenda Item: | Discussion/Information |
| I. | Call the Meeting to Order | Board Chair, Marie Flickinger, called the workshop to order at 5:25 p.m. |
| II. | Roll Call of Board Members | Marie Flickinger, Erica Davis Rouse (absent), Dan Mims, John Moon, Jr. (absent), Keith Sinor, Dr. Ruede Wheeler, 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 Matters and Personnel Matters | It was determined that there were no legal or personnel matters to discuss during this executive session. |
| IV. | Reconvene in Open Meeting | The meeting did not adjourn to closed session so there was no need to reconvene as posted. |
| V. | Review of 2018-2019 Comprehensive Annual Financial Report | Teri Zamora introduced Elissa Posway with Doeren Mayhew to review the audit results of the 2018-2019 Comprehensive Annual Financial Report (CAFR). Brenda Hellyer explained that a draft audit was distributed to the Board for review, and a final audit will be distributed upon completion. No significant changes are anticipated. |

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| | | <p>Elissa Posway with Doeren Mayhew reviewed the audit results report for year ended August 31, 2019 and gave an overview of the audit approach, process, and findings.</p> <p>Elissa stated that with respect to the audit, Doeren Mayhew was required to report on the following items:</p> <ul style="list-style-type: none"> • Auditor’s Responsibilities under Generally Accepted Government Auditing Standards – <ul style="list-style-type: none"> ○ Financial Statements – Unmodified Report ○ Internal Control over Financial Reporting – No significant deficiencies or material weaknesses ○ Major Program Compliance Report – Unmodified Report • Significant Accounting Policies – The College adopted GASB Statements No. 83 and No. 88 during fiscal year 2019, both of which had no significant impact on the financial statements • Management’s Judgements and Accounting Estimates – Estimates were reviewed and within an acceptable range • Significant Audit Adjustments – No significant adjustments • Major disagreements with management – None • Material errors, fraud, and illegal acts – None • Required material written communications will be completed after the Board approval of the audit based on the engagement letter dated April 29, 2019 <ul style="list-style-type: none"> ○ Audit reports – to be issued ○ Management representation letter – to be obtained prior to issuance of audit reports <p>Elissa explained that an audit performed in accordance with the Uniform Guidance and the State of Texas Single Audit Circular requires tests of the College’s compliance with requirements of major Federal and State of Texas programs, including consideration of related internal controls. No findings were noted as a result of audit procedures performed, and unmodified reports will be issued for the Federal and State major programs.</p> <p>Teri will review the comprehensive annual financial report (CAFR) at the Board meeting.</p> |
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| <p>VI.</p> | <p>Discuss Changes in Unrestricted Fund on Annual Financial Report</p> | <p>Teri Zamora reviewed changes in unrestricted net position. She explained that GASB 68 was implemented on August 31, 2015, which recorded the College’s share of TRS Unfunded Pension Liability. Also, GASB 75 was implemented on August 31, 2018, which recorded the College’s share of future costs related primarily to the Cost of Health Insurance provided for Retirees. Most community colleges in Texas had negative Unrestricted Net Position following implementation of GASB 75</p> <p>After implementation of GASB 68 and GASB 75, Unrestricted Net Position ceased to be a good measure of financial health for governmental institutions, and most began concentrating on Unrestricted Cash balance.</p> <p>Teri reviewed the net position after implementation of GASB 68 and 75. The unrestricted net position decreased as GASB items were implemented beginning in 2015. However, the overall net position has increased from 2018 to 2019 despite the negative amount in unrestricted net position. Teri also reviewed a chart that demonstrated what the unrestricted net position would reflect without GASB 68 and 75 effects.</p> <p>Teri explained that the GASB changes shifted the reporting of pension (GASB 68) and OPEB (GASB 75) liabilities from the notes of the CAFR onto the College’s balance sheet. Rating agencies already consider these liabilities in San Jacinto College’s credit ratings. The rating agencies were already evaluating the pension and OPEB liabilities prior to the implementation of GASB 68 and GASB 75.</p> <p>The implementation of these accounting changes does not materially change the rating agencies’ views of the credit quality of issuers now that the liabilities are on the balance sheet. The new GASB reporting standards changes do not affect or change the reality of these liabilities; they merely provide a different means of reporting it.</p> <p>Marie Flickinger asked if the College has \$84 million of unrestricted cash balance. Teri responded yes, and it represents 5.6 months of operating costs.</p> <p>Keith Sinor asked who pays off the GASB insurance costs.</p> |
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| | | <p>Teri explained that \$2.5 million is the College’s half, and the state pays the other half. The College’s liability will likely continue to increase for a variety of reasons.</p> <p>Marie asked if the auditor would feel comfortable financially if she was a board member. Elissa stated that she is comfortable, and any issues are addressed as they are found or would be included in the footnotes.</p> <p>Anita Dewease, Bill Dickerson, and Dianne Duron left the meeting after this item.</p> |
| <p>VII.</p> | <p>Propose Reallocation of Funds within 2008 Bond Proceeds</p> | <p>Brenda explained that the proposed reallocations of funds within the 2008 Bond proceeds were reviewed with the Board Building Committee. She would usually present this information at a Board retreat, but she decided to get information to the Board now, so we could move forward.</p> <p>She stated that there is approximately \$559,000 remaining in contingency from the 2008 Bond. This balance may increase as each project is closed. As has been previously discussed, the South Campus Welcome Center is in need of renovation because of dissatisfaction with acoustics and operational aspects of the moveable glass walls. She also stated that changes in the student services model from walk-up transactions to a more one-on-one, personal service model also created a need for renovations.</p> <p>This project was on hold until a firm schedule was determined with the end users so as to not interfere with registration processes. The renovation timeline will primarily cover March through May. This includes temporarily moving employees as needed into vacant areas that come available after the December/January building completions.</p> <p>She explained that the request is to move \$191,000 from the contingency to the South Campus Welcome Center renovation budget.</p> <p>Brenda stated that a similar request will come forward for the North Campus Welcome Center after programming is complete. The current budget is \$400,000, and the plan is to use additional contingency funds as required for that project as well. She clarified that the models for</p> |

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| | | <p>these projects are consistent with the new building being finalized at Central Campus.</p> |
| <p>VIII.</p> | <p>Update on Harris County Promise at San Jacinto College</p> | <p>Allatia Harris provided an update on the Harris County Promise @ San Jac Program. She explained that she has been having regular meetings to work out the details for the Promise program with the goal to enable more students in the area to receive an excellent and equitable education. Additional opportunities for the program are to expand the college-going culture by reaching students who are not currently seeking education past high school, educate parents of potential first-generation students about college, increase the number of completers, and reduce time-to-degree.</p> <p>Allatia reviewed the student commitment steps and timeline. A pledge to pursue college must be completed by the student by February 7, 2020. Once the pledge is completed, a college application, financial aid (Free Application for Federal Student Aid (FAFSA) or Texas Application for State Financial Aid (TASFA)), and enrollment must be completed.</p> <p>Dr. Ruede Wheeler asked how students are selected for the program. Allatia answered stating anyone who meets the criteria and applies can receive this, but they have to maintain certain requirements to stay in the program. Brenda added that we anticipate that if students go through this process then they most likely will be Pell eligible. The scholarship will fill the gap after Pell.</p> <p>Allatia explained that a student must enroll in a minimum of 12 credit hours each fall and spring semester, utilize federal and state aid and scholarship funding, and maintain a 2.0 GPA each semester. The enrollment must be continuous, they must engage with on-campus support services as scheduled, and pursue completion of workforce credential or associate’s degree within three years.</p> <p>Dr. Wheeler asked how these students will be motivated to sign up. Allatia responded that the schools will be motivating students through pep rallies and other events and a key will be to get parents engaged.</p> |

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| | | <p>Brenda mentioned that 55% of South Houston High School graduates, for example, do not attend college. If that group is targeted, there is tremendous potential with this program.</p> <p>Allatia explained that the program will launch with three high schools with the hope to expand to other area schools.</p> <p>Dr. Wheeler asked if the Board can receive data on non-college going percentages for each of our area high schools. Brenda will provide this data at a future meeting.</p> <p>Brenda explained that the program is starting with three high schools to test the model. The three schools are Dobie High School, Sam Rayburn High School, and South Houston High School. She is recommending a three-year agreement with Good Reason Houston. We will continue to assess the program throughout the three years.</p> <p>Dr. Wheeler asked about funding. Brenda provided an overview of the funding. She explained that we have already received a donation to cover a portion of the scholarships. We will begin additional fundraising soon, but there also are additional unrestricted funds in the San Jacinto College Foundation (Foundation). Good Reason Houston will provide for administrative and marketing support, provide computer tools and reporting, and provide funding for 50% of salaries and benefits of the College Access Associate and College Success Coaches for the first two years. They will also provide fundraising support to assist with the long-term strategy. San Jacinto College provides the last scholarship funding (after financial aid) for remaining balances due for eligible Promise students. San Jacinto College will hire the College Access Associates to coordinate Promise work at the high schools and will employ the College Success Coaches to engage Promise students at the College. Also, San Jacinto College will provide funding for marketing and outreach materials not exceeding \$39,000 total in a three-year period.</p> <p>Larry Wilson asked if he read the agreement correct that the third year is funded fully by San Jacinto College. Allatia confirmed that this is correct.</p> |
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| | | <p>Larry explained that his concern is that if the Foundation is funding this it will take away from what the Foundation is currently funding. Brenda and Allatia see this program as an enhancement to the Foundation’s current efforts.</p> <p>Brenda explained that Teri Zamora has talked with Dallas Promise to discuss the success of their model. Ours is similar, and she anticipates it being successful but wants to better understand the financial impact.</p> <p>Allatia reviewed the plan for growth of the Promise Program. She reviewed the three selected high school’s data on current graduates, those that attend San Jacinto College, and anticipated increase with this program. We are planning for an additional 15% growth to the graduates from each of these schools. This 15% is due to the late start of the program. We hope for 25% growth in the future years if we kick off in October. For this year, Good Reason Houston was not ready for October.</p> <p>Larry asked if we can get this going by January. Brenda stated that Allatia and the financial aid team have been meeting with the school’s representatives from the high schools. There is a kickoff event in early January at each high school.</p> <p>Dr. Wheeler and Keith Sinor asked if this will decrease the funds we would have already received from students because they were already coming to us. Brenda explained that we will need to analyze this impact with the high schools. Marie asked how many of the enrolled students from Dobie are full-time. Allatia does not have data with her but will get this information for the Board to review.</p> <p>The group discussed a possible household income cap as a requirement of student eligibility. Brenda explained that there is not one at this time, but we will analyze the data as the program progresses. There is concern from Good Reason Houston that such a requirement will cause confusion.</p> <p>Teri presented the direct program costs. The estimated cost to the College is approximately \$2.1 million total over five</p> |
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| | | <p>years. This includes marketing, access associates, and success coaches. The estimated cost for the Foundation is \$2.3 million over five years. These costs will be modified as we get additional information from this roll-out.</p> <p>Keith asked what the average scholarship amount per student is.</p> <p>Teri answered that for each student it is approximately \$1,900 for two semesters with additional costs for books. If they receive Pell funding, they would receive approximately \$2,700 per semester; thus, no scholarship funding.</p> <p>Members noted that this program would not work without federal and state financial aid contributing to a significant part of this. Because students will have to complete FAFSA it will ensure more Pell funds are used then the scholarship dollars will be accessed.</p> <p>The goal is to guide and continue to help and encourage students and parents to stick with it and complete the process through to credential.</p> <p>Larry asked how much control we have over the program. Allatia said we manage the program and partner with the high schools to encourage participation and ultimately enrollment. Good Reason Houston is monitoring the data. She added that the state incentives that will start with the implementation of House Bill 3. High schools will be receiving funding for number of FAFSAs completed and number of college going students. This should help the program also.</p> <p>Teri added that the estimated growth plan will create discussion and decision points.</p> <p>Brenda said the original plan was to move much faster, but they would like to review and analyze data before adding high schools.</p> <p>Brenda referenced additional handouts on Good Reason Houston that were distributed. One summarizes Harris County Promise policies and the other is an FAQ on the program.</p> |
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| | | <p>Dr. Wheeler asked how we are planning to explain to taxpayers regarding excluding schools from other tax paying areas.</p> <p>Allatia stated that this is a start of a program to test if this is expandable and sustainable. Starting with one district is a way to assess what is needed from the high schools as well as a commitment from the school district.</p> <p>Brenda added that the plan is to expand to all, but we need to analyze before moving forward.</p> <p>Brenda explained that she will bring updates to the Board at the next meeting.</p> <p>Dan Mims agrees that some schools may ask “why not us?”</p> <p>Allatia explained that Pasadena is in a good position to “pilot” this because of staff resources.</p> <p>Teri clarified that the growth plan presented is a moderate plan. Depending on how it goes and what resources we can tap into, will determine the speed of expandability.</p> <p>Brenda stated the overall goal is to come up with a fundraising plan to obtain additional funds from other resources and maximize potential federal and state dollars. This will help determine sustainability.</p> <p>Allatia stated this program will help achieve the THECB 60x30 goals.</p> <p>Allatia mentioned that other Texas colleges are starting these programs. There are approximately ten across the state. All seemed pleased with progress, but each is somewhat different.</p> <p>Marie believes that this could generate more donors for the Foundation.</p> |
| IX. | Review Modifications to Dual Credit Memorandums of Understanding | <p>Brenda reviewed the modifications to the dual credit memorandums of understanding (MOU). She stated that at the October 7, 2019, Board meeting, a draft MOU for ten independent school districts (ISD) was approved by the Board. She reviewed the current status of each of those MOU’s by ISD.</p> |

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| <p>X.</p> | <p>Review of Instructional Values</p> | <p>Laurel Williamson reviewed the new instructional values for the College. She explained that these are in alignment with the College values but are targeted for the classroom. These values were developed by a faculty committee. They were presented to full-time faculty at a meeting in August, and there were several opportunities to gain feedback from all faculty. A workgroup reviewed and proposed final items, and the Strategic Leadership Team has approved. These are now being presented to the Board as an informational item and do not require approval.</p> <p>Laurel explained that the goal is to align with the student success goal and values of the College. This will also factor into conversations with faculty regarding their classrooms, academic rigor, and student success.</p> |
| <p>XI.</p> | <p>Review Changes to Policy III.3003.A, Ethical Conduct and Conflicts of Interest</p> | <p>Teri Zamora reviewed the proposed changes to the Policy on Ethical Conduct. The College currently has a policy entitled Ethical Conduct and Conflicts of Interest which provides an overall framework for the conduct of employees and trustees. The College also has a policy entitled Employee Harassment which addresses specific issues of employee and trustee behavior, including the topic of sexual harassment. Teri explained that, “section 22-ethics policy” of the most recent state funding bill was interpreted by the THECB to apply to community colleges. This section requires that sexual harassment be specifically mentioned in a college’s ethics policy.</p> <p>Teri also explained that the College is accomplishing compliance with this new requirement by referencing the policy on Employee Harassment within the existing policy on Ethical Conduct. Due to the urgency of this change, the Chancellor used the authority granted to her in the Policy on Development, Review, Revision and Rescission to temporarily make the required edit effective on November 19, 2019</p> <p>Per the requirements of the policy granting the Chancellor this authority, the temporary policy change will now go through the standard process including a first and second reading, and an email to the college community for feedback.</p> <p>The College is in the process of reviewing all legislation from the 86th session to determine other policy change</p> |

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| | | requirements, using TASB’s guidance and updated legal policies and local policies as a guide. |
| XII. | Review Policy VI.6003.C, Resident Status – Second Reading | There was no time to review this item in the workshop, so it was covered in the Board meeting prior to voting. |
| XIII. | Review of Calendar | Brenda reviewed the calendar with the Board. |
| XIV. | General Discussion of Meeting Items | There was no additional time to cover any items from the meeting agenda that the members would like to review, so Brenda asked the Board to bring forward any questions they have during the Board meeting. |
| XV. | Adjournment | Workshop adjourned at 7:00 p.m. |