

**San Jacinto College District Board Workshop
July 10, 2017
District Administration Building, Suite 201**

MINUTES

	Board Workshop Attendees:	Board Members: Erica Davis Rouse, Marie Flickinger, Dan Mims, John Moon, Jr., Keith Sinor, Dr. Ruede Wheeler, Larry Wilson Chancellor: Brenda Hellyer Others: Chet Lewis, Mandi Reiland
	Agenda Item:	Discussion/Information
I.	Call the Meeting to Order	Workshop began at 5:46 p.m.
II.	Roll Call of Board Members	Board Members: Erica Davis Rouse, Dan Mims, John Moon, Jr., Keith Sinor, Dr. Ruede Wheeler, Larry Wilson
III.	Update on 85th Legislative Special Session	<p>Dr. Brenda Hellyer provided an update on the 85th Legislative Session. She gave an overview of the areas of impact to community colleges.</p> <ul style="list-style-type: none"> • Article IX, Section 7.04 of Senate Bill (SB) 1 Purchasing Impact - This requires all contracts, regardless of the funding source to be submitted to the Legislative Budget Board. • DIR Contracts Changes (SB 262) - This requires a request for quotes on all contracts valued from \$50,000 to \$150,000 with at least three vendors. If the amount is over \$150,000, a minimum of six quotes is required. • Itemizing Public Notice Expenditures in Budgets (SB 622) - A line item indicating expenditures for notices required by law to be published in a newspaper must be included in the proposed budget of a political subdivision. The itemization must allow as clear a comparison, as practicable, between those expenditures in the proposed budget and actual expenditures for the same purpose in the preceding year. Chet explained that this would apply to next year's budget, not this year.

		<ul style="list-style-type: none">• Amendment to SB 719 to Require Pilot Study for Financial Reporting - This includes a requirement for Texas Higher Education Coordinating Board (THECB) to collect and maintain data relating to the participation of persons with intellectual and developmental disabilities in workforce continuing education programs who are eligible for funding through the State. The bill was amended to include the pilot program for five colleges to study financial reporting by instructional site. The amendment will override the reporting rider currently required in the budget. It is anticipated that San Jacinto College will be included in the pilot. Brenda explained to Representative Rainey (the author) that it will be difficult to achieve some of the proposed reporting expectations, especially related to property taxes. For example, San Jacinto College Central Campus draws students from all across the taxing district, and there is no clear methodology how those revenues should be allocated.• Posting Mental Health Resources on College Website House Bill (HB) 2895 - This builds on existing requirements to post mental health resources. It clarifies that information on services is required, regardless of whether or not the institution is the provider.• Bachelor Bill (SB 2118) - Community colleges were authorized to offer bachelor degrees based on the following criteria. Community colleges will receive state funding based on the community college rate (not the higher university rate). Community colleges may not increase tuition and fees for the junior and senior levels of the degree plan. The tuition and fees for the upper level courses must equal the tuition rate for the associate degree program in order to keep the degrees affordable to students. To offer a bachelor degree, the community college must already successfully offer an associate degree in the desired area, and must have proven results in the associate degree program. Community colleges, not already offering bachelor degrees, may not offer more than three bachelor degree programs. Community colleges must
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		<p>demonstrate a workforce need. For the Bachelors of Science in Nursing (BSN), community colleges must show that they have partnerships with area universities to offer the degree and then explain why the partnership does not fully meet the workforce demand. The THECB will determine if a university can meet the need without the community college offering the bachelor degree. The community college taxing district must have a minimum taxable property valuation of \$6 billion. The community college must be in good financial standing. The community college must receive accreditation from the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) to offer the bachelor degree. The community college cannot hire faculty away from a university. San Jacinto College intends to pursue the Bachelor of Science in Nursing as well as a Bachelor of Applied Technology in Industrial Management. San Jacinto College provided testimony in both the House and Senate. San Jacinto College invited a hospital and industry partner to testify in both hearings.</p> <p>Dr. Ruede Wheeler asked when we can start providing these courses. Brenda stated that her goal is in 18 months which is dependent on the THECB and SACSCOC processes.</p> <p>Dan Mims asked if the College will have to hire a lot more faculty. Brenda explained that some of our faculty are credentialed for these programs. Also, there are some working on a masters and doctorates, so we have a pipeline.</p> <p>Marie suggested staying in touch with THECB on this. She stated we need to provide them feedback and input on the criteria.</p> <p>Dr. Wheeler asked how to anticipate demand in the areas. Brenda explained that she met with the CEO's in the nursing areas and they provided her with feedback. They are hiring our graduates with associate's degrees and giving them three years to get a bachelor degree. Brenda explained that she also met with industry representatives in applied technology areas and received good feedback.</p>
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		<p>of instruction. This bill is bracketed to the Valley.</p> <ul style="list-style-type: none"> • Governing Board of Trinity Valley Community College (SB 286) - This allows the Board to increase to 11 members. • Governing Board of Weatherford College (HB 2194) – This allows board representation from outside the taxing district. The board member from outside the district will not be allowed to vote regarding the imposition of a tax. • Electronic Reporting (HB 2229) - Institutions of higher education are required to provide an option for an enrolled student, or an employee of the institution, to electronically report to the institution an allegation of sexual assault, family violence, or stalking committed against or witnessed by the student or employee, regardless of the location at which the alleged offense occurred. The option to report anonymously is also required. • Human Trafficking Training (SB 128) - Requires truck driving programs to include a video about how to identify human trafficking and how to report it (this video already exists). A viewing of the video will be required in order to obtain a commercial truck driving license. San Jacinto College was asked to offer testimony on this bill, and the College already requires the training. • Open Educational Resources (OER) Use (SB 810) – This bill creates an OER grant program to encourage wider adoption of OER. SB 810 calls for a feasibility study on a state repository of OER resources. • Recruit Texas (HB 108) - This bill allows funding through the Texas Workforce Commission to recruit companies to Texas. San Jacinto College was asked to offer testimony. • Reporting Requirements for the College Credit for Heroes Program (HB 493) - Colleges are required to report the number of academic or workforce education semester credit hours awarded under the College Credit for Heroes Program and applied toward a degree or certificate. The reporting requirement begins with the most recent academic year (2016-2017).
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Brenda provided an update on the 85th Legislative Special Session. She gave an overview of the areas of potential impact to community colleges. There are 20 items called in the Special Session which begins Tuesday, July 18, 2017. The majority of the bills deal with local government issues, education, and health and human services. There are two bills that will be of interest to San Jacinto College, and could have an impact on our operations.

- The Bathroom Bill – We will monitor this bill wording for impact on San Jacinto College.
- Tax Rollback Bill - During the regular session, SB 2 was the tax rollback bill which requires an automatic rollback election at 4 percent. Currently, the rollback rate is 8 percent. The Senate passed SB 2 during the regular session at a 5 percent rollback rate, the same rate in affect before the Great Recession of the 1980's. Community colleges are being asked to be excluded from this bill.
- School Finance is another issue to watch.

We will closely watch other bills that could impact our region and municipal partners.

San Jacinto College is working with our Federal Legislators on several initiatives. Brenda pointed out that during a recent American Association of Community Colleges (AACC) Advocates in Action Fly-in, Teri Crawford met with James Redstone, professional staff for the House Education and Workforce committee. Mr. Redstone is looking for assistance in coming to an understanding of our industry partners in the region and the ways in which we work with them to inform curriculum. He is seeking specific examples.

Brenda explained that a Consortium of Community Colleges is working on several Center of Excellence designations which will allow additional funding to build upon specific workforce programs. San Jacinto College is part of this consortium. The intent is that these centers of excellence will come with a \$1 million award for three years, if Congress passes both the authorization and the funding. The Center of Excellence for Advanced Manufacturing was authorized by the last Congress and signed by President Obama. San Jacinto College is

		<p>applying for this designation. This Center of Excellence did have funding allocated. The Center of Excellence for Maritime Training went through to conference committee and was attached to a broader Energy bill. The Energy bill died which meant that our initiative also died. The Maritime Center of Excellence legislation was reintroduced this year by Congressman Gene Green. It has passed out of the House committee. It is also being championed by Senator John Cornyn and has already come out of Senate committee. We are hoping that this will continue moving forward, and pass. At this time, the Maritime Center of Excellence designation does not include funding.</p> <p>The Board members had additional discussion on the bill regarding property tax rates. Brenda stated this is her area of concern for the special session.</p>
<p>IV.</p>	<p>Review of 2017 – 2018 Budget</p>	<p>Brenda explained that the budget was previously reviewed at the Finance Committee meeting and Chet will give a detailed presentation in the Public Budget Hearing.</p> <p>Brenda received questions from Board members on property taxes and tuition and fees. She asked Chet to provide background on these two items now.</p> <p>Chet explained that the property tax revenue increased by approximately \$3.6 million. The Property Tax Revenue was budgeted using the same Maintenance & Operations rate as Fiscal Year 17 and a small increase in the debt service rate for Fiscal Year 18. The preliminary estimated increase to Total Assessed Value (TAV) is 2.60% for a projected total of \$51.85 billion. The increase in the debt service rate for voter approved bond issuances is \$1.1 million.</p> <p>Marie asked if the tax projections are conservative. Chet stated the projections are pretty conservative. He used the lower end estimate for the projected increase. The certified tax rolls will be received at the end of August, and we can review our numbers and update accordingly.</p> <p>Marie pointed out that based on last year’s budget in comparison to this year’s budget, we are not budgeting for an increase in tuition and fees. Chet explained that the overall enrollment increase for Fiscal Year 17 was not met, and this year’s budget was adjusted for this change. Additionally, for Fiscal Year 18, a small enrollment</p>

		<p>increase was budgeted with much of that being in dual credit enrollment which causes the exemption to increase (reduction to revenue).</p> <p>Marie asked what caused the decrease in federal, state, and local grants dollars for 2018. Chet explained that there are a few grants with anticipated lower revenues.</p> <p>Larry asked about the “to be allocated” items on page 26 of the draft budget. Chet explained that this is for raises and other increases in part time salaries that are not completely allocated to departmental budgets. Brenda suggested that next year, a goal is to allocate those ahead of the budget being finalized.</p> <p>Brenda said the action item includes approval of a salary pool of \$2.6 million which is for merit raises and the related benefits. The percentages for merit increases based on performance ratings are as follows: 3.00 percent for valuable ratings, 3.5 percent for notable ratings, and 4.25 percent for exceptional ratings.</p> <p>Brenda explained that this is the first time to approve the budget in July. Brenda and the Board thanked Chet and his team for their work. The Board members did not have any additional questions.</p>
<p>V.</p>	<p>Update on 2017 – 2018 Annual Priorities</p>	<p>Brenda gave an overview of the proposed 2017-2018 annual priorities. The main changes from last year’s annual priorities are the Open Educational Resources (OER) item was incorporated into the Pathways priority instead of keeping it as a separate item. We will continue to provide the Board updates on the OER work. Pathways will continue to be a priority. The Strategic Leadership Team added SACSCOC reaffirmation work as an annual priority. Fiscal accountability and responsibility will include work on redesigning and implementing new budget processes focusing on strategic priorities, enhancing revenues, and eliminating activities that do not enhance student success.</p> <p>Dr. Wheeler asked how we are going to address the issue of the dual credit growth. Brenda and the Board members discussed that the current dual credit model must be reviewed in order to determine long-term sustainability. Chet is working on an analysis of the enrollment trends, waivers, revenues including State contact hours and success</p>

		<p>points, and expenses including facility impacts. Marie said the dual credit and early college high school students have higher success rates which helps us with performance funding as well.</p> <p>Larry mentioned that he saw a new building by Memorial High School which is an early college high school (ECHS). Brenda explained that Pasadena is expanding to four additional ECHS's, and the freshman and sophomores will be housed at these buildings at each high school. The juniors and seniors will be on our campuses.</p> <p>Brenda stated that a dual credit agreement will most likely come to the Board in August because for the SACSCOC reaffirmation the College is required to have agreements with each of our independent school districts. This agreement will capture current arrangements for these programs and will be revised as we continue to develop a plan for the future.</p> <p>Brenda stated that the Bond Programs, Talent and Organizational Development, and Positioning for the Future are still annual priorities for next year.</p> <p>Each Strategic Leadership Team member will have their teams create action plans for accomplishing each annual priority. The Board will be asked to approve the annual priorities in August.</p>
VI.	Complete Conflict of Interest Forms	The Board members completed their conflict of interest forms.
VII.	Update Biographies	The Board members updated their biographies to be used on the College website and other publications.
VIII.	Review of Calendar	Brenda Hellyer reviewed the calendar with the Board.
IX.	General Discussion of Meeting Items	Keith stated that during the Board meeting, he would like for the Chair to take a vote on Purchase Request #3 separately from the remaining purchasing items.
X.	Adjournment	Workshop adjourned at 6:42 p.m.