

## San Jacinto College District Board Workshop December 7, 2020

The Board of Trustees of the San Jacinto Community College District met by videoconference at 5:00 p.m., Monday, December 7, 2020, in Room 104 of the Thomas S. Sewell District Administration Building, 4624 Fairmont Parkway, Pasadena, Texas. Due to health and safety concerns related to COVID-19, this workshop was made available to the public via a live-stream. At least a quorum of the Board was present in accordance with the provisions of Sections 551.125 or 551.127 of the Texas Government Code that have not been suspended by order of the governor.

### MINUTES

	<b>Board Workshop Attendees:</b>	<b>Board Members:</b> Erica Davis Rouse, Marie Flickinger, Dan Mims, Keith Sinor, Dr. Ruede Wheeler, Larry Wilson <b>Absent:</b> John Moon, Jr. <b>Chancellor:</b> Brenda Hellyer <b>Other:</b> Celina Cereceres (Whitley Penn), Allatia Harris, Paul Lamp (via conference call), Sandra Ramirez, Mandi Reiland, Patrick Simmons (Whitley Penn), Van Wigginton, and Teri Zamora
	<b>Agenda Item:</b>	<b>Discussion/Information</b>
<b>I.</b>	<b>Call the Meeting to Order</b>	Board Chair, Marie Flickinger, called the workshop to order at 5:02 p.m.
<b>II.</b>	<b>Roll Call of Board Members</b>	Marie Flickinger, Erica Davis Rouse, Dan Mims, John Moon, Jr. (absent), Keith Sinor, Dr. Ruede Wheeler, Larry Wilson
<b>III.</b>	<b>Adjournment to closed or executive session pursuant to Texas Government Code Section 551.071 of the Texas Open Meetings Act, for the following purposes: Legal Matters</b>	Chair Flickinger adjourned to closed session at 5:03 p.m.  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. <ul style="list-style-type: none"> <li>• Sandra Ramirez, Mandi Reiland, and Teri Zamora were present for the closed session consultation with attorney, Paul Lamp, via conference call.</li> </ul>
<b>IV.</b>	<b>Reconvene in Open Meeting</b>	The meeting reconvened to the open meeting at 5:23 p.m.

<p>V.</p>	<p><b>Review of 2019-2020 Comprehensive Annual Financial Report</b></p>	<p>Celina Cereceres and Patrick Simmons joined the meeting.</p> <p>Teri Zamora introduced Celina Cereceres and Patrick Simmons who are representatives of the College’s audit firm, Whitley Penn.</p> <p>Celina provided an overview of the Fiscal Year 2020 Audit Results which include the financial statement audit and federal and state single audits. She reviewed the audit firm engagement leadership team and the audit process.</p> <p>She stated that the auditor’s report on the financial statements was an unmodified or “clean” opinion. This audit was conducted in accordance with generally accepted auditing standards and government auditing standards. She added that the auditor’s report on internal control and compliance was a “clean” report. No material weaknesses were identified, and no significant deficiencies were reported on internal control over financial reporting. No instances of noncompliance direct and material to the financial statements were noted.</p> <p>She stated that the federal and state single audits were “clean.” Celina reviewed the programs that were audited and are as follows:</p> <ul style="list-style-type: none"> <li>○ <b>Federal Major Programs</b> <ul style="list-style-type: none"> <li>• Student Financial Assistance Cluster</li> <li>• CARES Act - Higher Education Emergency Relief Fund (HEERF)</li> <li>• Adult Education</li> </ul> </li> <li>○ <b>State Major Programs</b> <ul style="list-style-type: none"> <li>• Texas Education Opportunity Grant Program (TEOG)</li> <li>• Nursing Shortage Reduction Under 70</li> </ul> </li> </ul> <p>An unmodified opinion was issued over each major federal and stated program.</p> <p>Celina provided an overview of the single audit major program expenditures, the statement of net position, and the College’s proportionate share of the net pension liability for the Teacher Retirement System of Texas and Employee Retirement System. She also highlighted the revenues and expenses for the year ended August 31, 2020. Celina reviewed the required communications to the Board which included statements on significant accounting policies and accounting estimates. She emphasized that the</p>
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		<p>financials are based on management representation, and there were no difficulties encountered in performing the audit, no material misstatements, and no disagreements with management. There were no questions for the auditors by the Board members.</p> <p>Celina Cereceres and Patrick Simmons left the meeting.</p> <p>Teri Zamora reviewed highlights from the fiscal year 2020 financials. She also reviewed a calculation completed based on guidance from the Southern Association of Colleges and Schools Commission on Colleges regarding Unrestricted Assets Net of Plan+ and Plant-Related Debt (SACSCOC UNAEP). She added that SACSCOC has issued a pandemic position statement that explains it is aware of financial challenges impacting institutions, but there is still a responsibility for safeguarding and managing resources. The statement also explains for institutions to replace resources or redefine programs and services, protect educational quality, and describe rational for decisions. Teri provided an overview of the changes in operating results which include reduction in operating revenues, increase in non-operating revenues, and increase in operating expenses.</p> <p>Brenda added that the comprehensive annual financial report was distributed to the Board for review prior to the meeting. No significant changes have occurred with that draft.</p>
<p>Allatia Harris and Van Wigginton joined the meeting.</p>		
<p><b>VI.</b></p>	<p><b>Review Plan for Upcoming Issuance of General Obligation Bonds, Refinancing and Defeasance</b></p>	<p>Teri reviewed the plan for the upcoming issuance of general obligation bonds, and related refinancing and defeasance. She explained that voters approved \$425 million in general obligation debt. She added that \$150 million was issued in March 2016, and \$150 million was issued in February 2019. The plan is to issue \$85 million in February 2021 for continuation of approved projects. The remaining \$40 million is authorized but unissued with General Obligation Bonds to be issued at a later date. She noted that the timing is based on projections of project spending, and we are trying to manage the debt service tax rate.</p>

		<p>She expanded on the delay in issuing the last \$40 million. This final portion of the authorized bonds are not expected to be needed for several years as projects continue to progress. Future anticipated projects include a Generation Park parking garage, deferred maintenance projects, and final amounts to finish ongoing construction projects. The decision to delay issues of the remaining \$40 million assists, along with other measures, in minimizing the debt service tax rate.</p> <p>Teri explained that there is an opportunity to refinance approximately \$21.17 million in callable General Obligation Bonds. It is anticipated that the net present value of savings over the life of the refunding bonds is \$5.67 million or 26.78%.</p> <p>Additionally, she explained that we will be defeasing approximately \$4.8 million in General Obligation Bonds which are callable February 2022. The anticipated net present value of savings is \$6,000 which will assist with managing the tax rate.</p> <p>Teri reviewed the current transactions that will have an effect on debt tax rate and the history of the past tax rates.</p> <p>Teri presented the professional team list which included the underwriters, independent municipal advisor, bond counsel, and disclosure counsel. She stated that all fourteen Board approved underwriters are being utilized in the 2015 Bond Referendum, but for this specific planned bond transaction four will be utilized. These include Goldman Sachs, Mesirov Financial, Morgan Stanley, and Piper Jaffray &amp; Co.</p> <p>She then reviewed the anticipated timeline for this process and the estimated financing results.</p>
<p><b>VII.</b></p>	<p><b>Proposed Reallocation within 2015 Bond Proceeds</b></p>	<p>Teri Zamora reviewed the proposed reallocation within the 2015 Bond proceeds. She explained that as completed projects are closed, they would like to sweep the residual funds to the program contingency. She added that the proposal is to restore approximately \$3.8 million to the South Campus primary electrical upgrade project, transfer \$2 million from the Jones building renovation to the Jones central plant project, reserve \$20 million of program contingency for a future Generation park garage, and</p>

		<p>create a \$12 million “deferred maintenance” project. She clarified that the South Campus primary electrical upgrade originally started with half the budget and only priority items were completed to ensure there were resources for other projects. Now that additional funds are available this will allow the remaining electrical items to be completed. She explained that plans for the Generation Park garage are preliminary, and the plan will be to reassess in a year. She clarified that future operating budgets will likely not have allocations for major maintenance projects, so the deferred maintenance dollars previously referenced could be used for future priority projects. A chart visual was presented to show the detail on the current and revised dollar amounts for each project reviewed.</p> <p>Brenda provided a brief overview of current projects at each campus and added that the plan is to restart the Building and Finance Committee meetings in January 2021. She added that there are three action items on the Board meeting agenda that pertain to the items just reviewed.</p>
<b>VIII.</b>	<b>Review of Board Election Calendar</b>	<p>Teri reviewed the Board election calendar. She presented a timeline that includes pre-election activities and election activities. She noted that the first day for a candidate to file for a place on the ballot is January 13, 2021, and the deadline for candidates to file is February 12, 2021. Position 5, 6, and 7 are up for election in 2021, and the incumbents are John Moon, Jr., Dan Mims, and Keith Sinor, respectively.</p>
<b>IX.</b>	<b>Update on COVID-19 Responses and Spring Plans</b>	<p>Brenda provided an update on COVID-19 responses and plans for spring. She explained that total campus visits since April 2020 were 228,202. There have been zero confirmed on campus transmissions and four confirmed off campus transmissions, which occurred in student housing for athletes. In total, there have been 22 employees who have been on campus that are confirmed positive cases and 32 that have only been offsite. In total, there have been 111 confirmed cases of students who have been on campus and four off campus. She added that she, Teri Zamora, and the Office of Emergency Management (OEM) team are continuously monitoring this data, tracking state and local information, and other various COVID-19 related progress. She explained that the COVID dashboard is available on the College website.</p>

		<p>She reviewed the plans for spring moving forward. The current plan is to expand face-to-face instruction following two guiding principles (safety protocols and flexibility) and with a goal to design schedules that provide flexibility in a changing environment. The two principles are to fulfill student demand as measured by enrollments in face-to-face sections and to utilize only those rooms large enough to maintain appropriate social distancing guidelines and safety protocols. She reviewed the five spring modalities which are face-to-face, online anytime, online-on-a-schedule, flex campus, and hands-on hybrid. Brenda also reviewed the enrollment in fall 2020 by modalities, a comparison of spring 2020 to spring 2021, and an enrollment modality comparison for spring 2021.</p> <p>Brenda explained that for employees, the plan is to remain in the current altered operation mode through at least February 14, 2021. The current mode is a minimum of 50% on site for staff and administrators, and faculty are remote unless teaching onsite in face-to-face or hybrid modalities. The plans will be reassessed in January, and we will continue to revise protocols as more information develops. Brenda explained the holiday schedule and the virtual commencement plan.</p> <p>Erica asked what the marketing plan is for face-to-face protocols. Brenda replied that there are currently videos that show the processes and additional videos are made as protocols change. She added that marketing has a comprehensive marketing plan in motion.</p> <p>Brenda provided an update on the cooperation with Harris County Health. The College continues to partner with them including the following.</p> <ul style="list-style-type: none"><li>○ Hosting COVID testing site on Central Campus parking lot until need diminishes</li><li>○ Intermittent temporary COVID testing sites at North and South</li><li>○ Convenient for students, employees, and athletes</li><li>○ In conversation regarding the possibility of becoming a flu vaccination site; COVID vaccinations will be distributed in a different manner</li></ul> <p>Brenda reviewed the Higher Education Emergency</p>
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<p><b>X.</b></p>	<p><b>Overview of Workforce Training Programs</b></p>	<p>Allatia Harris and Van Wigginton provided an overview of the College’s workforce training programs.</p> <p>Van reviewed a graphic showing the spring 2020 incompletes remaining by day. As of May 15, 2020, there were 2,806 incompletes and it drastically and then steadily decreased through November 16, 2020 with only 557 incompletes remaining. This was accomplished by bringing students onsite in small groups while adhering to social distancing and all safety protocols.</p> <p>Allatia reviewed the credit enrollments. From fall 2019 to fall 2020, we saw technical enrollments decline across most areas. She then reviewed the programs that had an increase in headcount and contact hours. Allatia added that maritime credit enrollment was stable and the Dual Credit maritime program with La Porte High School began in summer 2020. Distance learning for this program was expedited (with Coast Guard approval) and recruiting has transitioned to virtual methods. She reviewed the maritime commercial revenue.</p>

		<p>Allatia explained that continuing and professional develop (CPD) post COVID is still struggling with financial viability for some programs like truck driving. Some courses were successfully transitioned to online with some success. Hybrid models for CPR classes are working. There will be a major push for information technology classes after January 1, 2021.</p> <p>Allatia provided an overview of the EDGE Center updates. An advisory council/committee met in June and August. Six programs will be offering 11 different courses. There are four students enrolled in the core class, and one student completed and is now in the Composite Program. Drone classes are also being offered at the Center.</p> <p>Allatia reviewed the list of apprenticeship updates. She added that there are several grants that are supportive of apprenticeship programs. Lists were provided to the Board.</p> <p>Van provided updates on business &amp; technology and the health sciences. He highlighted the TRIO program for pre-apprenticeships and the Aggreko partnership. He added that we held the fall 2019 Gulf Coast Regional Perkins V Conference which included many students, business and industry partners, community members, and College employees. As a result of this conference and listening to our students, we modified funding throughout the last few years to add not only childcare funds but also clinical transportation, practicum transportation, and health screenings.</p> <p>Van reviewed success and challenges of the business and technology program. These include virtual recruiting, internships, and advisory committees. For health science programs, there were successes in simulation/virtual learning, advisory committees, and take-home learning kits. The challenges have been clinical assignments, lab sizes, and advisory committees.</p> <p>Van reviewed the current progress of the CPET programs. Credit enrollment has been for hands-on-hybrid and the glass lab should be operational soon. Incumbent training has also been occurring, and continuous improvements are being made.</p>
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<p><b>XI.</b></p>	<p><b>Review Revised Associate of Arts and Associate of Science Degrees, and Core Curriculum Changes</b></p>	<p>Brenda provided an overview of the revised associate of arts (AA) and associate of science (AS) degrees and the core curriculum changes. There is an action item in the Board meeting on this item. Upon approval by the San Jacinto College Board of Trustees, the revised AA and AS degrees, as well as updates to the College’s Core Curriculum, will be submitted to The Texas Higher Education Coordinating Board (THECB) for approval. Implementation is anticipated fall 2021.</p> <p>Erica stated that she understands the purpose of this action but asked if now is a good time to change the student success course requirements with everything going on due to COVID. Brenda replied that many of the student learning outcomes are being imbedded into other courses so the three-hour requirement can be successfully reduced to an intensive one-hour student success course. Van expanded on this item and the transition of the requirements. He stated that this change will actually better prepare the students because of the intensive focus in the new course.</p>

		<p>Brenda added that there have been many discussions and analysis on this change as well as the computer literacy course elimination. The skills that were being taught in this course are being taught in other required courses.</p> <p>The group discussed the proposed changes.</p> <p>Erica asked how this aligns with other colleges. Brenda replied that she would verify this information and provide an update.</p>
<b>XII.</b>	<b>Review of Calendar</b>	Brenda reviewed the calendar with the Board.
<b>XIII.</b>	<b>General Discussion of Meeting Items</b>	There were no additional items to discuss.
<b>XIV.</b>	<b>Adjournment</b>	Workshop adjourned at 7:10 p.m.