

**MINUTES OF THE WORKSHOP MEETING
OF THE BOARD OF REGENTS OF THE DEL MAR COLLEGE DISTRICT**

June 8, 2021

The Workshop Meeting of the Board of Regents of the Del Mar College District convened at the Isensee Board Room, Del Mar College, Corpus Christi, Texas at 9:00 a.m. on Tuesday, June 8, 2021, with the following present:

From the Board:

Ms. Carol Scott, Dr. Nicholas Adame, Ms. Libby Averyt, Mr. Ed Bennett, Mr. Rudy Garza, Ms. Susan Hutchinson, Mr. Bill Kelly, and Dr. Laurie Turner.

From the College:

Dr. Mark Escamilla, President and CEO; Mr. Raul Garcia, Vice President and CFO; Ms. Lenora Keas, Executive Vice President and COO; Dr. Jonda Halcomb, Vice President and Chief Academic Officer; Ms. Tammy McDonald, Vice President of Administration and Human Resources; Mr. August Alfonso, Vice President and Chief Information Officer; Ms. Patricia Benavides-Dominguez, Interim Vice President for Student Affairs; Mr. Augustin Rivera, Jr., General Counsel; Mr. John Strybos, Vice President and Chief Physical Facilities Officer; Ms. Lorette Williams, Executive Director of Communication and Marketing; Dr. Natalie Villarreal, Executive Director of Government & Board Relations; Ms. Mary McQueen, Executive Director of Development; Ms. Delia Perez, Executive Administrative Assistant and Board Liaison, and other staff and faculty.

Due to ongoing health and safety concerns related to the Coronavirus Pandemic Crisis, this meeting was also offered by video and/or teleconference and in accordance with guidance from the Texas Governor's Office and the Texas Attorney General's Office. Provisions were made for the public to participate in this meeting with public comments via livestream and/or telephonically.

CALL TO ORDER QUORUM CALL/MOMENT OF SILENCE/PLEDGE OF ALLEGIANCE/VISION STATEMENT

Ms. Scott called the meeting to order with a quorum present. She requested a moment of silence followed by the Pledge of Allegiance and Del Mar College Vision Statement.

PUBLIC COMMENTS – The public was given the opportunity to provide public comments (both general and specific to any agenda item) by calling a toll-free phone line prior to the Board meeting and registering with their name and subject of public comment.

There were no public comments made for this meeting.

AGENDA

ITEMS FOR DISCUSSION AND POSSIBLE ACTION:

1. Regional Workforce Needs.....Ms. Lenora Keas
(Goal 5: Workforce Development, Community Partnerships, and Advocacy)

Dr. Escamilla introduced Ms. Keas and stated she has worked ardently with the College from the perspective of a history of entrepreneurship with people on “both sides of the bridge.” Dr. Escamilla discussed Ms. Keas’ accomplishments.

Ms. Keas began her presentation by identifying the College’s regional strategic partners because the College would not be where it’s at without them.

Ms. Keas continued with an update on the regional economy and the workforce needs in the region and stated that \$52 billion in capital investment in economic development has been invested in the area. The Coastal Bend economy is ranked 8th in the nation for economic development. Del Mar College prepares our students for the jobs that are developed for the area and fills employer needs. There are many more jobs to come to the area with the \$52 billion investment.

Ms. Keas advised that the Port of Corpus Christi is now the third largest port in the United States based on total revenue on tonnage and is the second largest exporter of crude oil in the United States. Many of the jobs in business or industry are directly or indirectly tied to the growth within the Port of Corpus Christi.

The top five job postings in the Corpus Christi area are health care, retail trade, administrative and waste, professional services, and transportation. The College is aligning programs with these top job postings. The unemployment rate for May for the region fell to 7.9% compared to 6.3% for Texas and 5.7% for the country. As of March 2021, the only industry that did not lose employees was the Trade, Transportation and Utilities area. The College’s commercial truck driving program continued all year throughout the pandemic and continued to meet the essential worker needs. Dr. Escamilla advised that a Vice Chancellor and team from one of the large colleges came by the College to observe Del Mar College’s truck driving program, as it is ranked one of the best in Texas.

Ms. Keas reviewed the workforce and economic study by Newmark and Corpus Christi Economic Development Corporation. The workforce for Corpus Christi has seen a 2.3% growth for 2010-2019. When compared to Beaumont-Port Arthur, Texas, Beaumont lost labor force and had a 5% negative growth but Texas as a whole grew by 14.7%.

Ms. Keas provided an overview of the College’s focus on providing workforce programs. The College works directly with Texas Workforce Solutions of the Coastal Bend. The Targeted Occupations List is developed by Workforce Solutions of the Coastal Bend (WFSCB) to identify the most effective use of local workforce development resources. Sources of information for the target list are local area employers, economic development entities, chambers of commerce, community partners, Texas Workforce Commission labor market information specific to the Coastal Bend region, and knowledge gained from continuous contact with the above sources.

Ms. Keas reviewed the Fall 2020 Texas Workforce Commission's list of key category occupations related earnings within our region which include the business sector, professional skills and trade sector, health care sector, and public service sector. The list is in complete alignment of the programs that are offered by Del Mar College to help students find employment.

Ms. Keas reviewed the Corpus Christi Regional Economic Development Corporation Target Industry Strategy Student prepared by Newmark. The study was commissioned by the Corpus Christi Regional Economic Development Corporation and supported by AEP-Texas, Port of Corpus Christi and HEB. The study is meant to refresh the 2016 Economic Development Strategic Plan and Target Industry Study and to understand the changes in the region's economy and workforce in greater detail in order to position the Corpus Christi region as a potential location for new companies. The focus of the study is to understand the education and skill sets of the Coastal Bend region; to identify target industries and/or segments of a business that will help diversify the economy, compliment the skill set of the region, and attract higher wage jobs to the Corpus Christi region; to identify the Coastal Bend region's competitive advantages and determine their ability to attract white collar industries or segments of a business from companies that need to maintain operations in other locations, but that could operate independently or remotely in an alternate location; and to evaluate if industries impacted by COVID-19 raise concerns or provide additional opportunities for the region.

Newmark's targeted industry list includes specialty steel production; shale oil/natural gas/pipeline industry/NGL production; aerospace industry; and entrepreneurship and small business growth. Ms. Keas reviewed the Corpus Christi region competitive assets as well as the region's challenges which included job opening and availability, student engagement, and workforce housing deficit. There was a total of 66 strategic recommendations made and one of the themes was Workforce Development and Small Business & Entrepreneurship. Ms. Keas reviewed the companies that the College is in conversation with regarding business development, the number of jobs and amount of contribution to the economy.

Dr. Escamilla commented that 93% of the College's graduates stay in our area for five years or more after graduation which is very attractive to employers.

Ms. Keas reviewed the programs offered through the Workforce Development Center and the Center for Economic Development both of which continue to be thriving resources. Ms. Keas stated that the College will soon have a Workforce Development Center in Aransas County. The College will be providing the programs and managing the facility to deliver these types of highly skilled workforce programs to support their economy after the devastation caused by Hurricane Harvey. Ms. Keas stated that the Corporate Services Department provides customized training to businesses and industry in proprietary workforce needs. The Continuing Education Department programs continue to be impactful and provides basic adult education and align these students with other skilled course opportunities.

Ms. Keas stated that Advisory Committees for Technology, Industry, Emergency Response, Health Care and Sciences, and Business Administration Programs identified as a key need, besides college credentials, is industry specific credentials. A college credential with an industrial credential meets the workforce needs in the most current and highly impactful way for hiring.

Ms. Keas and Dr. Escamilla responded to questions from the Board of Regents.

2. Strategic Plan Key Performance Indicators.....Dr. Kristina Wilson
(Goal 5: Workforce Development, Community Partnerships, and Advocacy)

Dr. Escamilla provided introductory remarks stating the Strategic Plan has been divided up in order to meticulously review the Plan and make changes to the strategies and goals as needed. Dr. Wilson began her presentation stating the Key Performance Indicators (KPIs) being discussed today are Goal 5: Workforce Development, Community Partnerships, and Advocacy; and Goal 6: Financial Effectiveness and Affordability. KPIs provide the College with a snapshot of position at a point in time. The threshold is the expectation set to define acceptable levels of achievement (minimum target; frequently aligned with baseline).

Dr. Wilson provided comparison peer cohort information from Texas Large Colleges Community College Peer Group. Peer cohorts are determined based on credit enrollment. Fall 2020 enrollment headcount average for Large Texas College Cohort was 9,607. Highest enrollment: Blinn College (17,955); Lowest enrollment: Laredo College (5,236). Del Mar College Fall 2020 Headcount was 10,678.

Dr. Wilson continued stating Goal Five: Workforce Development, Community Partnerships, and Advocacy is to strengthen connections with workforce and community partners, educational agencies, and governmental bodies and officials. Goal Five has three key performance indicators such as graduate job placement, licensure and certification pass rates, and industry-supported programs. Dr. Wilson reviewed each KPI 1 - Graduate Job Placement information and stated that Del Mar College met the KPI threshold of 87% with a target of 91% for the 2024 year. According to the THECB Accountability System, students were found working or enrolled in Texas within one year after earning a degree or certificate (credit programs).

Dr. Escamilla stated that it is very important to guide the curriculum to meet these kinds of job placement needs and that 60x30 variables will be changing. The Governor signed a Bill appointing a Commission to look at how things are funded and defined.

Chair Scott stated that it is important to communicate to our taxpayers and business leaders what the actual job placement is for all of our graduates and credential holders.

Dr. Wilson reviewed KPI 2 - Licensure and Certification Pass Rates and found that Del Mar College met the KPI threshold of 85% with a target of 95% for the 2024 year. This percentage includes Del Mar College programs that require licensure exams for entry into the profession. In 2019, Del Mar College led other large colleges with a licensure and certification pass rate of 91.8% with a 3.8 point change over the large college pass rate of 86.2% and 89.9% for all Texas Colleges.

Dr. Halcomb commented the Advisory Committees evaluate the courses as well as any state licensure changes, and faculty develops the appropriate coursework.

Dr. Wilson continued with her review of KPI 3 - Industry Supported Programs. The threshold is to maintain high quality relationships between instructional programs and industry partners as evidenced by collaborative efforts and/or financial support. The KPI target for 2024 will include enhanced high quality relationships between instructional programs and industry partners as evidenced by collaborative efforts and/or financial support. Some examples include internships, apprenticeships, donations, grants, and scholarships. The College is supported by the industry with its partnership with Cheniere Energy, Inc.

Dr. Wilson provided an example regarding the College's partnership with Cheniere Energy, Inc. which involves Process Technology, Industrial Instrumentation, and Millwright Programs. These programs include apprenticeship programs in students' sophomore year; funding provided for scholarships; purchase of state-of-the-art equipment for teaching and learning; participation on advisory committees; alignment of curriculum to workforce needs; and job placement after graduation. Dr. Escamilla commented that many relationships have been developed over the years with many industry partners that have been very generous to the College.

Dr. Wilson continued with Goal 5: Workforce Development, Community Partnerships, and Advocacy. She provided examples of strategies: align program offerings with local needs, maintain advisory committees, provide state-of-the-art facilities and equipment, continue development of partnerships and grants, and offer advocacy participation.

Dr. Wilson began her discussion regarding Goal 6: Financial Effectiveness and Affordability. The ability to ensure financial capacity, demonstrate fiscal stewardship, and maintain affordability for students is the final piece to the strategic goals. Goal 6 KPIs include: 1) tuition and fees; 2) scholarship awards; 3) return on net position ratio; 4) operating margin ratio; 5) primary reserve ratio; 6) viability ratio; and 7) composite financial indicator.

Dr. Wilson introduced Mr. Raul Garcia which provided focused information regarding student affordability, including the cost of attendance, student loan debt, HEERF student grants, and financial foundation scholarships awarded by the Foundation. Mr. Garcia also discussed financial effectiveness. The cost to attend Del Mar College for 15 semester credit hours is \$1,600.00 and our peer group of large Texas Colleges cost is \$1,982.00. The cost of attendance for a Del Mar College student for one year is approximately \$13,577.00 compared to a sister College, Blinn, at \$21,511.00. Mr. Garcia continued with a review of the HEERF I, II and III funding. A total of 4,812 Del Mar College students were assisted from the Spring 2020 to Spring 2021 timeframe. An estimated 30,000 to 33,000 students are expected to be helped from Fall 2020 to Spring 2023 timeframe. Also, the College is in the process of hiring a grant funded HEERF outreach advisory employee who will perform student outreach initiatives.

Mr. Garcia introduced Ms. Mary McQueen who discussed scholarships awarded for the years 2019 and 2020 for KPI 2. The scholarships awarded from 2019 to 2020 did decline from 1,784 to 1,467. Ms. McQueen provided information to the Board regarding different scholarships available to students. Ms. McQueen stated a lot of scholarship students were lost due to the COVID-19 pandemic. There is currently \$2 million in scholarship money being awarded for the upcoming fiscal year. Ms. McQueen provided background information regarding the Endowment and provided identifying information regarding the Del Mar College Foundation.

Dr. Cathy West began her presentation regarding KPI 3 - Return on Net Position Ratios. Dr. West provided background on financial ratios and composite financial index (CFI). The Texas Higher Education Coordinating Board publishes the Financial Condition Analysis of Texas Public Community College Report, and its purpose is to annually assess the financial health of the public community college in Texas. The College did meet its threshold of attaining the State's standard and achieved the target of exceeding the State's standard. Dr. West discussed KPI 3 - the Return to Net Position ratio which measures the total economic return; answers if the College is better off financially than it was a year ago; and has run consistently higher than the State's standard.

Dr. West also discussed KPI 4 - the Operating Margin ratio which measures the College's operating performance; answers the question if the College's operating expenses balances with available revenue; and has run consistently higher than the State's standard. The operating margin was lower in 2017 because of salaries and benefits were adjusted upward to invest in faculty and staff.

Dr. West discussed KPI 5 - Primary Reserve ratio which measures financial strength and flexibility; answers the question how long the College can survive without additional net position generated by operating revenue; and has run consistently higher than the State standard of .14.

Dr. West discussed KPI 6 - Viability ratio which measures availability of expendable net position to cover debt; answers the question how much debt the College can pay off with existing resources; and has run consistently higher than the State standard of .42.

Dr. West continued her discussion regarding KPI 7 - Composite Financial Indicator measures overall health of the College by combining four ratios into a single metric; steps to calculate: four ratios are calculated, calculate strength factors and weight, and total to get CFI index; and the College's CFI ratio runs consistently higher than the State standard of 2.00.

Mr. Garcia continued the presentation reviewing Goal 6: Financial Effectiveness and Affordability. Mr. Garcia stated the College will continue to adjust the HEERF funding to assist students because of the pandemic.

Ms. McQueen provided fundraising information regarding scholarships and emergency assistance. A total of \$259,100 in emergency aid was provided directly to students from March 2020 to March 2021.

Mr. Garcia stated from a fiscal management perspective, the College will continue to enhance the long-term financial planning and budget processes for sustainability of the College.

Dr. Wilson concluded the presentation by stating the College's Operational Strategic Plan was updated in February 2021 to reflect some of the changes that were made due to the COVID-19 pandemic. The Plan is also adjusted with the Board's feedback and the Strategic Planning Committee. The current Plan is in effect through August 2024. Dr. Wilson stated that one full cycle of review of all Goals has been completed and a new cycle of review will begin again Fall 2021 beginning with Goals 1 and 2; Goals 3 and 4 - Spring 2022; and Goals 5 and 6 - Summer 2022.

Dr. Wilson, Dr. Halcomb, Ms. Keas, Ms. McQueen, Mr. Garcia, Dr. West, and Dr. Escamilla responded to questions from the Board of Regents.

At 11:25 a.m., the Chair announced that the Board was going into Closed Session pursuant to:

CLOSED SESSION pursuant to:

- A. **TEX. GOV'T CODE § 551.071:** (Consultation with Legal Counsel), regarding pending or contemplated litigation, or a settlement offer, with possible discussion and action in open session; and, the seeking of legal advice from counsel on pending legal or contemplated matters or claims, with possible discussion and action in open session; and,
- B. **TEX. GOV'T CODE § 551.074(a)(1):** (Personnel Matters), regarding the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; including, 1.) Appointment to fill At Large Regent Vacancy, 2.) Annual Evaluation of College President and President's Contract, and 3.) Annual Board Self-Evaluation, with possible discussion and action in open session.

The Board reconvened in Open Session at 12:52 p.m. with no action taken.

CALENDAR: Discussion related to dates on Del Mar College's calendar.

ADJOURNMENT: The meeting was adjourned at 12:52 p.m.

MINUTES REVIEWED BY GC: /s/ARjr