

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

**June 14, 2022**

The Workshop Meeting of the Board of Regents of the Del Mar College District convened at the Center for Economic Development, 3209 S. Staples, Room 106, Corpus Christi, Texas, at 9:30 a.m. on Tuesday, June 14, 2022, with the following present:

**From the Board:**

Dr. Nicholas Adame, Ms. Libby Averyt, Mr. Ed Bennett, Mr. Rudy Garza, Jr., Ms. Susan Hutchinson, and Mr. Bill Kelly.

Chair Carol Scott joined the meeting in progress.

**From the College:**

Dr. Mark Escamilla, President and CEO; Ms. Lenora Keas, Executive Vice President and COO; Mr. Raul Garcia, Vice President and CFO; Dr. Jonda Halcomb, Vice President and Chief Academic Officer; Ms. Tammy McDonald, Vice President of Administration and Human Resources; 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 to the President & Board Liaison, and other staff and faculty.

**CALL TO ORDER/QUORUM CALL**

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

**GENERAL PUBLIC COMMENTS** – The public was given the opportunity to provide public comments (both general and specific to any agenda item).

There were no public comments made for this meeting.

**ITEMS OF BUSINESS:**

Discussion related to Preliminary Budget for Fiscal Year 2023.....Mr. Raul Garcia  
*(Goal 6: Financial Effectiveness and Affordability)*

Mr. Garcia reviewed the topics to be discussed and briefly reviewed the budget calendar which included a few critical dates in August. Mr. Garcia introduced Mr. John Johnson who discussed the 2023 Budget Revenues.

Mr. Johnson provided information regarding the preliminary revenue budget for the upcoming fiscal year. Revenues come from three primary sources: tuition, local property taxes and state revenues. Regarding tuition, they recommend a Board approved increase to in-district tuition of \$2 for the upcoming fiscal year which should raise approximately \$162,000. Property taxes show no change to the overall tax rate. Preliminary information received from the Appraisal District in April indicates a possible valuation growth of 6% and approximately \$450 million in new construction. At this time, a final tax taxable value cannot be accurately determined.

Mr. Johnson stated the three components for State Appropriations state revenue include base funding, insurance, and retirement contribution. Base funding and insurance contributions are set by the state each biennium and because they are in the second year of the biennium, no increase would normally be received. Based on these assumptions, there is a slide in insurance contribution of \$17,874 and a retirement contribution increase of \$306,213. The total state funding will increase by \$324,000 using the \$2 in-district tuition increase with a reduction of 10% adjustment for enrollment losses. They anticipate \$4.934 million in new tax revenues. The overall preliminary revenues over last year's budget will show an increase of about \$3.4 million.

Dr. Escamilla stated that there will be more follow-up regarding total revenues.

Mr. Johnson continued stating the overall tax rate remains unchanged at 0.283340. The tax rate increase for M & O of half a penny was offset by reduction in the debt service rate necessary to pay for debt service requirements for outstanding tax debt obligations for the 2023 fiscal year. Based on 2022, the average taxable homestead valuation is \$193,031.00.

Mr. Johnson introduced Dr. Cathy West who discussed resources to meet the operational needs of the College and allocations of resources to support the College's Strategic Plan and its goals. Dr. West reviewed the Strategic Plan Initiatives for 2023 and their correlation to the College's goals and initiatives. First, the Oso Creek Campus coming online this year and confirmed the College has the operational expenses to cover the operations of this campus. Next, to expand the College's service area, for example, the Aransas Workforce Development Center that is planned to open in 2023. And finally, to recruit and retain our exceptional faculty and staff to ensure there is sufficient resources. Dr. West introduced Ms. Tammy McDonald who reviewed proposed salaries.

Ms. McDonald reviewed four different salary increase scenarios and associated budget impact. For budget planning purposes, Ms. McDonald stated they used Scenario #2 in this preliminary budget workshop, which would be the flat \$829,000 for faculty year experience, 2% to the other three components which include rank, education & base, and then exempt and non-exempt 2% to their current salaries. Ms. McDonald introduced Ms. Jackie Landrum who discussed non-salary expense budget for Fiscal Year 2023.

Ms. Landrum reported that there is an estimate of \$2.3 million increase, and the increase is mostly related to the Oso Creek Campus for items such as custodial, ground maintenance, property insurance and fire and safety monitoring. Fiscal year 2023 is an election year, the computer equipment budget is being increased for Information Technology to replenish the funds reallocated last year. An increase in testing fees will be offset by an increase in revenues collected on those testing fees. Ms. Landrum stated in their review of the current utilities, a savings in the College's electricity costs of \$525,000 has been reallocated to fund other priorities. Ms. Landrum introduced Ms. Tammy McDonald to discuss salaries and benefits.

Ms. McDonald reviewed faculty, exempt, and non-exempt salaries and changes. The adjustments to the budget for total salary and benefits is a little over \$1 million for 2023.

Ms. Landrum continued discussion and review regarding non-salary expenses increase for \$2.3 million.

Dr. Escamilla provided commentary regarding salaries, salary scenarios, and anticipated student enrollment. He stated that they hope to have a complete budget this time next year and to make adjustments in July or August if needed. The Board Packet contains financial statements that show comparisons of actuals to budget as well as last year's budget to actuals. A comprehensive discussion for the quarter will be presented in the month of August 2022. The HEERF update will also be provided in August.

Ms. Tammy McDonald, Mr. John Johnson, Mr. Raul Garcia, and Dr. Mark Escamilla responded to questions and input from the Board of Regents.

Discussion related to Strategic Plan Key Performance Indicators (Goals 5 and 6)  
.....Dr. Kristina Ramirez Wilson  
(Goal 4: Learning Environments)

Dr. Wilson stated that she would review part five of the College's Strategic Plan for this academic year. The College's strategic plan entitled "Aspire, Engage, Achieve" was adopted three years ago, and includes six overarching goals. Each goal has associated KPIs, objectives and strategies. Dr. Wilson provided a review of the data snapshot for KPIs, thresholds, targets, and comparison peer cohorts. During this workshop, the focus was on Goal 5 – Workforce Development, Community Partnerships, and Advocacy, and Goal 6 – Financial Effectiveness and Affordability.

Goal 5 objectives include educational offerings, employment, collaboration & communication, and advocacy. With this goal, they seek to strengthen their connections with workforce and community partners, educational agencies and governmental bodies and officials. Educational offerings – align college educational offerings with the needs of its communities and workforce partners through credit, continuing education, and corporate training programs. They seek to keep educational offerings fresh in a variety of ways. New programs are developed when the need arises some examples include the Bachelor of Science in Nursing, AAS Fitness and Exercise Science, and AAS Electrician. Additionally,

the College has transfer partnerships that include 12 active articulation agreements, 6 inactive agreements to be renewed, and 10 agreements in development. Dr. Wilson introduced Ms. Lenora Keas to discuss the Continuing Education and Corporate Services programs.

Ms. Keas stated that the corporate services and workforce programs provide a wide variety of workforce and personal enrichment programs. These are available to dual credit students and open enrollment students throughout the area. These programs are aligned with the Texas Workforce Commission for the in-demand job listing and vary in length and cost. Healthcare programs have become a highlight for continuing education and are presently in over 23 area school districts. These healthcare programs provide students with different certifications like Phlebotomy and Certified Nurse, and they work directly to provide students at the high school level and at the adult education level with the opportunity for high paying jobs.

Dr. Escamilla provided comments regarding local high school students going through Del Mar College certifications such as phlebotomy and after graduation, earning \$25 an hour as a phlebotomist. He stated that if a community college can help their community take care of their most basic need, which is health, then the community is better for it.

Ms. Keas continued her presentation discussing Corporate Services which is another division of the workforce programs. Many of these programs for certifications overlap with continuing education and incorporate into credit programs.

Dr. Wilson continued discussing the next Goal 5 objective – employment. Dr. Wilson stated the College seeks to increase the number of graduates to attain employment in their chosen fields. The two KPIs associated with Goal 5 are graduate job placement and licensure and certification pass rates. In 2020, the College's rate was 85.1%, which is a decrease from the prior year and the target set for 2024 is 91% as they continue to rebound from COVID-19. The graduates working and enrolled decreased by 3.6 percentage points during the COVID-19 timeframe.

Dr. Escamilla provided comments regarding job placement for community colleges and the importance to take notice for funding methodologies of the future. He also provided comments regarding local job placement with local industry and healthcare partners. Additional comments and discussion were held with the Board of Regents regarding assisting students and providing services with job placement after completion of their college career.

Dr. Wilson continued discussing licensure and certificate pass rates relating to College programs that require licensure exams for entry into the profession. The total pass rate is 91% for the years 2019 – 2020. The programs that had a pass rate of 100% were Dental Assisting, Health Information Technology, Occupational Therapy Assistant, Pharmacy Technology, Medical Laboratory Technology, and Licensed Vocational Nursing. The College met its threshold of 85% and has set a 95% threshold for 2024.

Ms. Keas discussed Continuing Education data. The Construction Skills Program has a 74% completion rate of 574 students with an average wage of \$15.00 an hour. This is a 10-week program that began with the Rebuild Texas program after Hurricane Harvey. The Healthcare Program has a 95% completion rate of 1,559 students with an average wage of \$18.00 an

hour. The construction/carpentry program began two weeks ago in two new locations, 1) the Nueces County McKinzie Jail Annex, and 2) the Juvenile Justice Center. For the College's Healthcare Programs, students are not in internship situations but are performing clinical experience hours and being paid.

Ms. Keas reviewed several of the grant awards that Continuing Education and Corporate Services have received. The grants allow students to use the funds to learn trade skills and show how the College is meeting the students' needs for job placement once their classes are completed.

Ms. Keas discussed the classifications of the programs under Continuing Education and Corporate Services or Workforce Programs. From Transportation Training (CDL Truck Driving) to pre-apprenticeships, and apprenticeship training such as regular crafts, electrical, plumbing, and wiring. The apprenticeship grants go all the way from McAllen to San Antonio and Del Mar College is one of the few community colleges within the state that provide those through the US Department of Labor. Ms. Keas provided information regarding the Fiscal Year 2021 Workforce Education & Accreditations with the National Center for Construction Education and Research (NCCER) which students are able to acquire additional credentials to help get them hired.

Dr. Wilson continued with her presentation and discussed the collaboration and communication with local partners to ensure the students are ready for the workforce. Collaborating with key stakeholders to advance the educational and economic development goals of the region as well as provide consistent communication regarding successes, progress, and stewardship of resources. Dr. Wilson highlighted some examples of how Del Mar College has recently sought to collaborate with our local partners such as Texas Reskilling & Upskilling through Education Consortium (TRUE). TRUE aims to prepare students for in-demand careers accelerating their transition to work through attainment of micro-credentials. Some examples include partnership with Coastal Bend College, Aransas County Workforce Development Center and South Texas Regional Workforce and Education Partnership. Del Mar College serves these communities through continued collaboration, job training and other educational opportunities.

The final objective for Goal 5 is advocacy. In September of 2021, Board of Regents Chair, Carol Scott, and President and CEO, Dr. Mark Escamilla, were appointed to the newly formed Texas Commission on Community College Finance. The commission will provide recommendations to the 88th Texas Legislature to establish sufficient state formula funding for public community colleges. Also, the Texas Higher Education Coordinating Board (THECB) has numerous committees in which faculty and staff can participate in order to have their voice heard, to develop and solidify curriculum that'll be utilized across the state.

Mr. Raul Garcia discussed Goal 6, Financial Effectiveness and Affordability. The goal is to ensure financial capacity, demonstrate fiscal stewardship, and maintain affordability for students. Mr. Garcia reviewed four general categories including student tuition and fees, student financial assistance as measured by tuition discount, student college debt after their completion of a degree or certificate, and foundation scholarships. On an annual basis, the College assesses the tuition and fees with consideration to the demographics of our district

and our student population which includes the percentage of persons in poverty, the district's medium household income, the student's financial assistance, and the amount of student college loan debt. The board approved an increase of \$2 on a per semester credit beginning this fall of 2022. A Del Mar student experienced a cost of tuition and fee increase of 1.8% for the 2022 fall term. Del Mar College's rate increase is significantly lower when compared to Texas Large Community Colleges and Texas wide community college with a rate of increase of 2.4% and 11.8%, respectively, for the same term. The Del Mar sticker price for 15 semester credit hours is valued at \$1,690.

Dr. Escamilla discussed the tuition and fees, and average transfer student debt and stated adjustments would be looked into regarding the College's aspirations for the same.

Mr. Garcia continued with his presentation discussing tuition discounts. Student financial assistance as measured by tuition discount is a third category for assessing student affordability. Tuition discount represents student financial assistance funding used to reduce the student sticker price. It is used by institutions of higher education as a strategy to increase student enrollment and retention. The source of funding for these financial assistance programs come in many forms, including federal grants such as the Pell Supplement Educational Opportunity Grant, State grants, Texas Educational Opportunity Grants and Texas Public Educational Grants, plus many more. There are also contributions from our local community, including corporate, not-for-profit, ISDs, and state mandated discretionary waivers funded by the respective institutions of higher education. Del Mar College has waivers for police officers, firefighters, foster care, and College employees.

Mr. Garcia discussed the College's discounted rate and stated it is 58% off the price of the cost of tuition and fees for our students. The Del Mar discount rate for 2021 fall term is 58%. On average, student financial system programs at Del Mar College pay 58 cents of every \$1 of the student price. Mr. Garcia provided information regarding the National Association of Colleges and Universities and Business Officers (NACUBO) and stated Del Mar College's discount rate for the fall of 2021 is 10 percentage points above the NACUBO discount rate of 48.1 for the fall of 2021.

Mr. Garcia introduced Dr. Cathy West who discussed the financial ratios used to measure the College's performance which measure the financial stability of the Texas public community colleges. Colleges like Del Mar College, for fiscal year 2021, did improve on all four ratios and the composite financial index. The first financial ratio, return on net position, went from 7.1 to 11.2 and the College met its threshold and target by exceeding the state standard. Our next KPI operating margin revenue ratio, went from 6.0 to 7.4, which measures operating performance, and the College did balance operating revenues with available operating revenues. The primary reserve ratio went from 0.45 to 0.5, it measures financial strength and flexibility. The College consistently ran much higher than the state standard of 0.14. Next, the viability ratio went from 3.36 to 3.95. This ratio measures the availability of the expendable net position to cover debt. The College can consistently pay off debt with existing resources well above the state standard of 0.42.

Dr. West introduced Ms. Mary McQueen with the Del Mar College Foundation who provided information regarding fundraising. Ms. McQueen stated scholarship dollars are

received from the community and awarded to students. Ms. McQueen reviewed the scholarships awarded for years 2019 through 2021, and 2022 scholarships to date. For 2022, \$1.8 million has been awarded to 1,571 students. The KPI threshold is to maintain the amount of scholarship funding provided to students annually. The KPI target is to increase the amount to scholarship funding provided to students by 5% annually. Ms. McQueen stated the funding is back on track for 2022.

Dr. Wilson concluded the presentation thanking the team for their work and stated this presentation was the final workshop for this academic year. She will start planning the development of the next Strategic Plan with Dr. Escamilla and Ms. Keas for the upcoming year. She asked the Board of Regents to think about the data and data updates they would like to see. Dr. Wilson reviewed a rough draft of a Plan and deadlines for the Strategic Plan.

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

At 11:51 a.m., the Chair announced that the Board was going into Closed Session.

**3. CLOSED SESSION pursuant to:**

- A. **TEX. GOV'T CODE § 551.071**: (Consultation with Legal Counsel), regarding pending or contemplated litigation, or a settlement offer, and the seeking of legal advice from counsel, with possible discussion and action in open session;
- B. **TEX. GOV'T CODE § 551.089**: (Security Devices or Security Audits), regarding security assessments or deployments relating to information resource technology; network security information as described by Section 2059.055(b); or the deployment, or specific occasions for implementation, of security personnel, critical infrastructure, or security devices, with possible discussion and action in open session;
- C. **TEX. GOV'T CODE § 551.087**: (Economic Development), regarding discussion or deliberation of information received from a business prospect with which the College is conducting economic development negotiations and/or the deliberation of an offer of a financial or other incentive to a business prospect, with possible discussion and action in open session; and,
- D. **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.) Annual Evaluation of College President and President's Contract.

The Board of Regents reconvened in Open Session at 1:00 p.m. with no action taken.

CALENDAR: Discussion and possible action related to calendaring dates.

ADJOURNMENT: The Workshop was adjourned at 1:00 p.m.

MINUTES REVIEWED BY GC: /s/ARjr