

***Board of Trustees  
Meeting***

***October 2, 2017***

**NOTICE OF MEETING  
BOARD OF TRUSTEES  
SAN JACINTO COMMUNITY COLLEGE DISTRICT**

The Board of Trustees of the San Jacinto Community College District will meet at 5:15 p.m., Monday, October 2, 2017, in Room 201 of the Thomas S. Sewell District Administration Building, 4624 Fairmont Parkway, Pasadena, Texas.

**BOARD WORKSHOP  
AGENDA**

- I. Call the Meeting to Order**
- II. Roll Call of Board Members**
- III. Adjournment to closed or executive session pursuant to Texas Government Code Section 551.074 & 551.076 of the Texas Open Meetings Act, for the following purposes:**
  - Personnel Matters** - For the purpose of considering the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear complaints or charges against a public officer or employee.
    - Chancellor Evaluation
    - Other Personnel Matters
  - Security Matters** – To consider the deployment, or specific occasions for implementation, of security personnel or devices.
- IV. Reconvene in Open Meeting**
- V. Review of Calendar**
- VI. General Discussion of Meeting Items**
- VII. Adjournment**

**Additional Closed Session Authority**

If, during the course of the meeting covered by this Notice, the Board should determine that a closed or executive meeting or session of the Board should be held or is required in relation to any items included in this Notice, then such closed or executive meeting or session as authorized by Section 551.001 et seq. of the Texas Government Code (the Open Meetings Act) will be held by the Board at that date, hour and place given in this Notice or as soon after the commencement of the meeting covered by the Notice as the Board may conveniently meet in such closed or executive meeting or session concerning any and all subjects and for any and all purposes permitted by Sections 551.071, inclusive, of the Open Meetings Act, including, but not limited to:

Section 551.071 – For the purpose of a private consultation with the Board’s attorney on any or all subjects or matters authorized by law.

Section 551.072 – For the purpose of discussing the purchase, exchange, lease or value of real property.

Section 551.073 – For the purpose of considering a negotiated contract for a prospective gift or donation.

Section 551.074 – For the purpose of considering the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear complaints or charges against a public officer or employee.

Section 551.076 – To consider the deployment, or specific occasions for implementation, of security personnel or devices.

Section 551.084 – For the purpose of excluding a witness or witnesses from a hearing during examination of another witness.

Section 551.087– To discuss or deliberate regarding commercial or financial information that the Board has received from a business prospect that the Board seeks or may seek to have locate, stay, or expand in or near the territory of the College and with which the Board is conducting economic development negotiations or to deliberate the offer of a financial or other incentive to such business prospect.

Should any final action, final decision, or final vote be required in the opinion of the Board with regard to any matter considered in such closed or executive meeting or session, then such final action, final decision, or final vote shall be at either:

- A. The open meeting covered by this Notice upon the reconvening of the public meeting, or
- B. At a subsequent public meeting of the Board upon notice thereof, as the Board shall determine.

Certification as to Posting or Giving of Notice

On this day, September 29, 2017, this notice was posted on a bulletin board located at a place convenient to the public in the central administrative office of the San Jacinto Community College District, 4624 Fairmont Parkway, Pasadena, Texas, the College's website, and is readily accessible to the public upon request.

---

Brenda Hellyer, Ed.D.

**NOTICE OF MEETING  
BOARD OF TRUSTEES  
SAN JACINTO COMMUNITY COLLEGE DISTRICT**

The Board of Trustees of the San Jacinto Community College District will meet at 7:00 p.m. on Monday, October 2, 2017, in Room 104 of the Thomas S. Sewell District Administration Building, 4624 Fairmont Parkway, Pasadena, Texas.

**BOARD MEETING  
AGENDA**

**I. Call the Meeting to Order**

**II. Roll Call of Board Members**

**III. Invocation and Pledge to the Flags**

**IV. Special Announcements, Recognitions, Introductions, and Presentations**

Recognition of San Jacinto College for Being a Top Three Finalist for the National ChemLuminary American Chemical Society National Convention Rachel Garcia

Recognition of Matthew Lewis for Receiving the 2017 ACCT National Faculty of the Year Award Brenda Jones

**V. Student Success Presentations**

Top 15 Institutions to which SJC Graduates Transfer George González

**VI. Communications to the Board of Trustees**

**VII. Hearing of Such Citizens or Groups of Citizens Desiring to be Heard Before the Board**

*In accordance with the San Jacinto Community College District Board of Trustees Bylaws, located on the College's website, a citizen desiring to appear before the Board of Trustees shall complete the Application for Hearing before the Board of Trustees and file said application along with any supporting information concerning the citizen's concern, complaint or commendation, with the Executive Assistant to the Chancellor, ten (10) minutes prior to the start of the posted meeting time. The time allotted each citizen or organization for presentation shall be no more than five (5) minutes. The total time for hearing of citizens shall be no more than 60 minutes at any one meeting. Presentation of matters concerning a complaint or charge against a San Jacinto Community College District employee or officer will be heard in closed session unless the individual who is the subject of the charge or complaint requests a public hearing.*

**VIII. Informative Reports to the Board**

- A. San Jacinto College Financial Statement
- B. Capital Improvement Program
- C. San Jacinto College Building Committee Minutes

## **ACTION ITEMS**

- IX. Consideration of Approval of Amendment to the 2017-2018 Budget for Restricted Revenue and Expenses Relating to Federal and State Grants**
- X. Consideration of Adoption of Ad Valorem Property Tax Rate**
- XI. Consideration of Approval of the Annual Review of the Investment Policy and Strategy of the College**
- XII. Consideration of Approval of Addendum to Chancellor's Employment Contract with San Jacinto College District**
- XIII. Consideration of Approval of Policy (##): Substantive Change – First Reading (Information Only)**
- XIV. Consideration of Approval of Policy (##): Electioneering – First Reading (Information Only)**

## **PURCHASING REQUESTS**

- XV. Consideration of Purchasing Requests**

## **CONSENT AGENDA**

### **XVI. Consent Agenda**

(Any item placed on the consent agenda shall be removed and taken up as a separate matter, if so requested by any member of the Board, otherwise all items will be voted on with one (1) motion.)

- A. Approval of the Minutes for the September 11, 2017 Board Workshop and Regular Board Meeting**
- B. Approval of the Budget Transfers**
- C. Approval of Personnel Recommendations**
- D. Approval of the Affiliation Agreements**
- E. Approval of the Next Regularly Scheduled Meeting**

### **XVII. Items for Discussion/Possible Action**

(Items removed from the Consent Agenda or items discussed in closed session, will be considered at this time)

### **XVIII. Adjournment**

#### **Closed Session Authority**

If, during the course of the meeting covered by this Notice, the Board should determine that a closed or executive meeting or session of the Board should be held or is required in relation to any items included in this Notice, then such closed or executive meeting or session as authorized by Section 551.001 *et seq.* of the Texas Government Code (the Open Meetings Act) will be held by the Board at that date, hour and place given in this Notice or as soon after the commencement of the meeting covered by the Notice as the Board may conveniently meet in such closed or executive meeting or session concerning any and all subjects and for any and all purposes permitted by Sections 551.071, inclusive, of the Open Meetings Act, including, but not limited to:

Section 551.071 – For the purpose of a private consultation with the Board’s attorney on any or all subjects or matters authorized by law.

Section 551.072 – For the purpose of discussing the purchase, exchange, lease or value of real property.

Section 551.073 – For the purpose of considering a negotiated contract for a prospective gift or donation.

Section 551.074 – For the purpose of considering the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear complaints or charges against a public officer or employee.

Section 551.076 – To consider the deployment, or specific occasions for implementation, of security personnel or devices.

Section 551.084 – For the purpose of excluding a witness or witnesses from a hearing during examination of another witness.

Section 551.087– To discuss or deliberate regarding commercial or financial information that the Board has received from a business prospect that the Board seeks or may seek to have locate, stay, or expand in or near the territory of the College and with which the Board is conducting economic development negotiations or to deliberate the offer of a financial or other incentive to such business prospect.

Should any final action, final decision, or final vote be required in the opinion of the Board with regard to any matter considered in such closed or executive meeting or session, then such final action, final decision, or final vote shall be at either:

- A. The open meeting covered by this Notice upon the reconvening of the public meeting,  
or
- B. At a subsequent public meeting of the Board upon notice thereof, as the Board shall determine.

Certification as to Posting or Giving of Notice

On this day, September 29, 2017, this notice was posted on a bulletin board located at a place convenient to the public in the central administrative office of the San Jacinto Community College District, 4624 Fairmont Parkway, Pasadena, Texas, the College’s website, and is readily accessible to the public upon request.

---

Brenda Hellyer, Ed.D.

SAN JACINTO COMMUNITY COLLEGE DISTRICT  
Statement of Net Position - PRELIMINARY  
August 31,

<u>Assets</u>	<u>2017</u>	<u>2016</u>
Current assets:		
Cash and cash equivalents	\$ 78,094,281	\$ 72,309,419
Accounts receivable - taxes	4,229,946	4,429,775
Accounts receivable	16,791,244	18,282,700
Deferred charges	1,847,333	2,587,810
Inventories	443,645	462,236
Total current assets	<u>101,406,449</u>	<u>98,071,940</u>
Noncurrent assets:		
Restricted cash and cash equivalents	169,929,760	204,179,065
Capital assets, net	<u>426,621,711</u>	<u>418,718,102</u>
Total noncurrent assets	<u>596,551,471</u>	<u>622,897,167</u>
Total assets	<u>697,957,920</u>	<u>720,969,107</u>
Deferred outflows of resources:		
Deferred outflow related to pensions	5,502,111	4,542,533
Deferred outflow related to defeased debt	<u>5,379,488</u>	<u>-</u>
Total deferred outflows of resources	<u>10,881,599</u>	<u>4,542,533</u>
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	10,658,151	10,726,378
Accrued liabilities	828,742	878,323
Accrued compensable absences and deferred compensation	2,612,623	2,592,077
Deferred revenues	<u>26,207,310</u>	<u>28,974,596</u>
Total current liabilities	<u>40,306,826</u>	<u>43,171,374</u>
Noncurrent liabilities:		
Net pension liability	29,942,125	24,842,147
Bonds and notes payable	<u>474,299,587</u>	<u>478,374,238</u>
Total noncurrent liabilities	<u>504,241,712</u>	<u>503,216,385</u>
Total liabilities	<u>544,548,538</u>	<u>546,387,759</u>
Deferred inflows of resources -		
Deferred inflow related to pensions	<u>4,122,366</u>	<u>7,599,287</u>
<u>Net assets</u>		
Beginning of year	166,844,720	176,203,176
Current year addition	<u>(6,676,105)</u>	<u>(4,678,582)</u>
Total net position - PRELIMINARY	<u>\$ 160,168,615</u>	<u>\$ 171,524,594</u>

San Jacinto Community College District  
Statement of Revenues, Expenditures and Changes In Net Position - PRELIMINARY  
For the Twelve Months Ended August 31, 2017

Consolidated -All Funds  
(Not Including Capital Improvement Program)

	<u>Adjusted Budget</u>	<u>Actual (100%)</u>	<u>% Actual to Adjusted Budget</u>	<u>8/31/16</u>	<u>% of 8/31/16 Actual</u>
<b>REVENUES:</b>					
State Appropriations	\$ 46,488,413	\$ 46,751,531	100.57	\$ 45,352,384	100.00
Local Taxes - Maintenance & Operations	64,696,546	63,230,262	97.73	61,071,078	100.00
Local Taxes - Debt Service	27,502,805	26,658,540	96.93	22,530,480	100.00
Credit Tuition	45,355,983	45,586,692	100.51	41,197,623	100.00
Credit Fees	15,571,302	15,616,832	100.29	13,496,877	100.00
Credit Exemptions & Waivers	(4,129,096)	(4,870,969)	117.97	(3,918,182)	100.00
Bad Debt	(2,350,779)	(2,350,779)	100.00	(820,445)	100.00
Continuing Professional Development	5,573,314	5,513,660	98.93	7,268,068	100.00
Sales & Services	1,717,933	2,317,108	134.88	2,427,610	100.00
Loss on Disposal of Fixed Assets	-	(2,086,683)	-	-	-
Investment Income	105,979	391,696	369.60	553,148	100.00
Auxiliary Services	3,373,075	3,122,690	92.58	3,391,519	100.00
Grants	63,205,433	50,322,733	79.62	48,672,069	100.00
Local Grants	2,797,081	2,477,966	88.59	2,389,069	100.00
Total	<u>269,907,989</u>	<u>252,681,279</u>	<u>93.62</u>	<u>243,611,298</u>	<u>100.00</u>
<b>EXPENDITURES:</b>					
Instruction	75,267,500	73,327,220	97.42	69,279,341	100.00
Public Service	5,392,650	6,182,008	114.64	6,851,011	100.00
Academic Support	25,857,585	17,468,535	67.56	16,033,485	100.00
Student Services	16,069,209	15,094,788	93.94	14,389,562	100.00
Institutional Support	73,435,213	61,031,068	83.11	57,763,556	100.00
Physical Plant	18,239,503	16,332,490	89.54	17,747,178	100.00
Scholarships and Fellowships	51,154,600	47,894,066	93.63	47,287,394	100.00
Auxiliary Enterprises	4,490,639	4,439,345	98.86	4,481,142	100.00
Depreciation	20,351,251	18,784,208	92.30	15,918,457	100.00
Capital Purchases	-	(1,196,344)	-	(1,461,246)	100.00
Total	<u>290,258,150</u>	<u>259,357,384</u>	<u>89.35</u>	<u>248,289,880</u>	<u>100.00</u>
<b>TRANSFERS AMONG FUNDS:</b>					
Transfers In	(4,031,699)	(4,123,228)	-	(3,754,704)	-
Transfers Out	4,031,699	4,123,228	-	3,754,704	-
Net Increase (Decrease) in Net Position	<u>\$ (20,350,161)</u>	<u>\$ (6,676,105)</u>		<u>\$ (4,678,582)</u>	



San Jacinto Community College District  
Statement of Revenues, Expenditures and Changes In Net Position - PRELIMINARY  
For the Twelve Months Ended August 31, 2017

11 Unrestricted Funds

	<u>Adjusted Budget</u>	<u>Actual (100%)</u>	<u>% Actual to Adjusted Budget</u>	<u>8/31/16</u>	<u>% of 8/31/16 Actual</u>
<b>REVENUES:</b>					
State Appropriations	\$ 36,486,413	\$ 36,478,591	99.98	\$ 35,707,837	100.00
Local Taxes - Maintenance & Operations	64,696,546	63,230,262	97.73	61,071,078	100.00
Credit Tuition	43,628,601	43,624,667	99.99	39,404,810	100.00
Credit Fees	15,571,302	15,616,832	100.29	13,496,877	100.00
Credit Exemptions & Waivers	(4,129,096)	(4,870,969)	117.97	(3,918,182)	100.00
Bad Debt	(2,350,779)	(2,350,779)	100.00	(820,445)	100.00
Continuing Professional Development	5,573,314	5,513,660	98.93	7,268,068	100.00
Sales & Services	1,717,933	2,048,857	119.26	2,283,937	100.00
Loss on Disposal of Fixed Assets	-	(2,086,683)	-	-	-
Investment Income	105,979	358,689	338.45	145,716	100.00
Total	<u>161,300,213</u>	<u>157,563,127</u>	<u>97.68</u>	<u>154,639,696</u>	<u>100.00</u>
<b>EXPENDITURES:</b>					
Instruction	68,099,999	67,828,329	99.60	64,512,241	100.00
Public Service	4,552,868	5,466,883	120.08	6,179,304	100.00
Academic Support	13,144,644	11,984,498	91.17	11,968,286	100.00
Student Services	14,270,022	13,287,350	93.11	12,904,164	100.00
Institutional Support	38,953,815	38,191,659	98.04	38,972,785	100.00
Physical Plant	18,239,503	16,332,490	89.54	17,747,178	100.00
Total	<u>157,260,851</u>	<u>153,091,209</u>	<u>97.35</u>	<u>152,283,958</u>	<u>100.00</u>
<b>TRANSFERS AMONG FUNDS:</b>					
Transfers In	(7,035)	(159,338)	-	(597,689)	-
Transfers Out	4,042,094	4,027,483	-	3,243,143	-
Net Increase (Decrease) in Net Position	<u>\$ 4,303</u>	<u>\$ 603,773</u>		<u>\$ (289,716)</u>	

San Jacinto Community College District  
Statement of Revenues, Expenditures and Changes In Net Position - PRELIMINARY  
For the Twelve Months Ended August 31, 2017

Federal Restricted Funds

	Adjusted Budget	Actual (100%)	% Actual to Adjusted Budget	8/31/16	% of 8/31/16 Actual
REVENUES:					
Grants	\$ 58,080,826	\$ 47,278,495	81.40	\$ 45,971,758	100.00
Total	<u>58,080,826</u>	<u>47,278,495</u>	<u>81.40</u>	<u>45,971,758</u>	<u>100.00</u>
EXPENDITURES:					
Instruction	534,610	389,744	72.90	527,747	100.00
Public Service	263,945	209,222	79.27	205,940	100.00
Academic Support	10,121,838	3,771,839	37.26	2,640,298	100.00
Student Services	285,476	287,468	100.70	294,725	100.00
Institutional Support	1,838,784	1,186,923	64.55	1,156,906	100.00
Scholarships and Fellowships	45,036,173	41,433,299	92.00	41,146,142	100.00
Total	<u>58,080,826</u>	<u>47,278,495</u>	<u>81.40</u>	<u>45,971,758</u>	<u>100.00</u>
TRANSFERS AMONG FUNDS:					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Net Increase (Decrease) in Net Position	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>	

San Jacinto Community College District  
Statement of Revenues, Expenditures and Changes In Net Position - PRELIMINARY  
For the Twelve Months Ended August 31, 2017

State Restricted Funds

	Adjusted Budget	Actual (100%)	% Actual to Adjusted Budget	8/31/16	% of 8/31/16 Actual
REVENUES:					
State Paid Benefits	\$ 10,002,000	\$ 10,272,940	102.71	\$ 9,644,547	100.00
Grants	5,124,607	3,044,238	59.40	2,700,311	100.00
Total	<u>15,126,607</u>	<u>13,317,178</u>	<u>88.04</u>	<u>12,344,858</u>	<u>100.00</u>
EXPENDITURES:					
Instruction	6,552,018	4,998,240	76.29	4,138,386	100.00
Public Service	343,207	324,088	94.43	293,535	100.00
Academic Support	1,693,556	1,532,933	90.52	1,222,095	100.00
Student Services	1,469,265	1,495,675	101.80	1,138,121	100.00
Institutional Support	2,470,804	2,653,034	107.38	3,343,825	100.00
Scholarships and Fellowships	2,597,757	2,313,208	89.05	2,208,896	100.00
Total	<u>15,126,607</u>	<u>13,317,178</u>	<u>88.04</u>	<u>12,344,858</u>	<u>100.00</u>
TRANSFERS AMONG FUNDS:					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Net Position	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>	

San Jacinto Community College District  
Statement of Revenues, Expenditures and Changes In Net Position - PRELIMINARY  
For the Twelve Months Ended August 31, 2017

Local Restricted Funds

	<u>Adjusted Budget</u>	<u>Actual (100%)</u>	<u>% Actual to Adjusted Budget</u>	<u>8/31/16</u>	<u>% of 8/31/16 Actual</u>
REVENUES:					
Local Grants	\$ 2,797,081	\$ 2,477,966	88.59	\$ 2,389,069	100.00
Total	<u>2,797,081</u>	<u>2,477,966</u>	<u>88.59</u>	<u>2,389,069</u>	<u>100.00</u>
EXPENDITURES:					
Instruction	80,873	80,652	99.73	81,695	100.00
Public Service	232,630	181,815	78.16	172,232	100.00
Academic Support	897,547	179,265	19.97	202,806	100.00
Student Services	44,446	24,295	54.66	52,552	100.00
Institutional Support	85,753	70,124	81.77	63,058	100.00
Scholarships and Fellowships	1,793,288	2,047,600	114.18	2,008,537	100.00
Total	<u>3,134,537</u>	<u>2,583,751</u>	<u>82.43</u>	<u>2,580,880</u>	<u>100.00</u>
TRANSFERS AMONG FUNDS:					
Transfers In	(323,848)	(309,773)	-	(299,176)	-
Transfers Out	(10,395)	17,863	-	149,829	-
Net Increase (Decrease) in Net Position	<u>\$ (3,213)</u>	<u>\$ 186,125</u>		<u>\$ (42,464)</u>	

San Jacinto Community College District  
Statement of Revenues, Expenditures and Changes In Net Position - PRELIMINARY  
For the Twelve Months Ended August 31, 2017

27 Texas Public Education Grant

	<u>Adjusted Budget</u>	<u>Actual (100%)</u>	<u>% Actual to Adjusted Budget</u>	<u>8/31/16</u>	<u>% of 8/31/16 Actual</u>
REVENUES:					
Credit Tuition	<u>\$ 1,727,382</u>	<u>\$ 1,962,025</u>	<u>113.58</u>	<u>\$ 1,792,813</u>	<u>100.00</u>
Total	<u>1,727,382</u>	<u>1,962,025</u>	<u>113.58</u>	<u>1,792,813</u>	<u>100.00</u>
EXPENDITURES:					
Scholarships and Fellowships	<u>1,727,382</u>	<u>2,099,959</u>	<u>121.57</u>	<u>1,923,819</u>	<u>100.00</u>
Total	<u>1,727,382</u>	<u>2,099,959</u>	<u>121.57</u>	<u>1,923,819</u>	<u>100.00</u>
TRANSFERS AMONG FUNDS:					
Transfers In	-	-	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Net Position	<u><u>\$ -</u></u>	<u><u>\$ (137,934)</u></u>		<u><u>\$ (131,006)</u></u>	

San Jacinto Community College District  
Statement of Revenues, Expenditures and Changes In Net Position - PRELIMINARY  
For the Twelve Months Ended August 31, 2017

28 Private Gifts and Donations

	<u>Adjusted Budget</u>	<u>Actual (100%)</u>	<u>% Actual to Adjusted Budget</u>	<u>8/31/16</u>	<u>% of 8/31/16 Actual</u>
REVENUES:					
Sales & Service	\$ -	\$ 268,251	-	\$ 143,673	100.00
Total	<u>-</u>	<u>268,251</u>	<u>-</u>	<u>143,673</u>	<u>100.00</u>
EXPENDITURES:					
Instruction	-	30,255	-	19,272	100.00
Total	<u>-</u>	<u>30,255</u>	<u>-</u>	<u>19,272</u>	<u>100.00</u>
TRANSFERS AMONG FUNDS:					
Transfers In	-	-	-	(299,176)	-
Transfers Out	-	77,882	-	149,829	-
Net Increase (Decrease) in Net Position	<u>\$ -</u>	<u>\$ 160,114</u>		<u>\$ 273,748</u>	

San Jacinto Community College District  
Statement of Revenues, Expenditures and Changes In Net Position - PRELIMINARY  
For the Twelve Months Ended August 31, 2017

Auxiliary Enterprises

	Adjusted Budget	Actual (100%)	% Actual to Adjusted Budget	8/31/16	% of 8/31/16 Actual
REVENUES:					
Sales & Services	\$ 40,000	\$ 108,007	270.02	\$ 117,496	100.00
Auxiliary Services	3,333,075	3,014,683	90.45	3,274,023	100.00
Total	<u>3,373,075</u>	<u>3,122,690</u>	<u>92.58</u>	<u>3,391,519</u>	<u>100.00</u>
EXPENDITURES:					
Non-Instructional Labor	800,452	723,383	90.37	912,940	100.00
Benefits	343,203	441,861	128.75	440,842	100.00
Supplies	831,599	543,371	65.34	671,838	100.00
Travel	509,380	520,440	102.17	518,447	100.00
Contracted Services	369,667	276,852	74.89	336,891	100.00
Capital Outlay	-	-	-	8,848	-
Scholarships and Fellowships	1,621,338	1,924,229	118.68	1,568,829	100.00
Utilities	15,000	9,209	61.39	22,507	100.00
Total	<u>4,490,639</u>	<u>4,439,345</u>	<u>98.86</u>	<u>4,481,142</u>	<u>100.00</u>
TRANSFERS AMONG FUNDS:					
Transfers In	(1,117,564)	(1,123,542)	-	(1,451,355)	-
Transfers Out	-	-	-	361,732	-
Net Increase (Decrease) in Net Position	<u>\$ -</u>	<u>\$ (193,113)</u>		<u>\$ -</u>	

San Jacinto Community College District  
Statement of Revenues, Expenditures and Changes In Net Position - PRELIMINARY  
For the Twelve Months Ended August 31, 2017

95 Retirement of Indebtedness

	Adjusted Budget	Actual (100%)	% Actual to Adjusted Budget	8/31/16	% of 8/31/16 Actual
REVENUES					
Investment Income	\$ -	\$ 33,007	-	\$ 407,432	100.00
Local Taxes - Debt Service	<u>27,502,805</u>	<u>26,658,540</u>	<u>96.93</u>	<u>22,530,480</u>	<u>100.00</u>
Total	<u>27,502,805</u>	<u>26,691,547</u>	<u>-</u>	<u>22,937,912</u>	<u>100.00</u>
EXPENDITURES					
Institutional Support	<u>30,086,057</u>	<u>18,929,328</u>	<u>62.92</u>	<u>14,226,982</u>	<u>100.00</u>
Total	<u>30,086,057</u>	<u>18,929,328</u>	<u>62.92</u>	<u>14,226,982</u>	<u>100.00</u>
TRANSFERS AMONG FUNDS:					
Transfers In	(2,583,252)	(2,530,575)	-	(1,406,484)	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Net Position	<u>\$ -</u>	<u>\$ 10,292,794</u>		<u>\$ 10,117,414</u>	



San Jacinto Community College District  
Statement of Revenues, Expenditures and Changes In Net Position - PRELIMINARY  
For the Twelve Months Ended August 31, 2017

97 Investment in Plant

	Adjusted Budget	Actual (100%)	% Actual to Adjusted Budget	8/31/16	% of 8/31/16 Actual
EXPENDITURES					
Depreciation	\$ 20,351,251	\$ 18,784,208	92.30	\$ 15,918,457	100.00
Capital Purchases	-	(1,196,344)	-	(1,461,246)	100.00
Total	<u>20,351,251</u>	<u>17,587,864</u>	<u>-</u>	<u>14,457,211</u>	<u>100.00</u>
Net Increase (Decrease) in Net Position	<u>\$ (20,351,251)</u>	<u>\$ (17,587,864)</u>		<u>\$ (14,457,211)</u>	

# Capital Improvement Program

San Jacinto Community College District  
Statement of Revenues, Expenditures and Changes In Net Position - PRELIMINARY  
For the Twelve Months Ended August 31, 2017

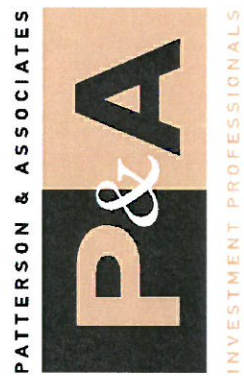
91 Capital Projects

	Adjusted Budget	Actual (100%)	8/31/16
REVENUES:			
Investment Income	\$ -	\$ 1,117,260	\$ -
Total	-	1,117,260	-
EXPENDITURES:			
Bond Programs	-	31,270,429	33,274,435
Total	-	31,270,429	33,274,435
Net Increase (Decrease) in Net Position	\$ -	\$ (30,153,169)	\$ (33,274,435)



**Monthly Investment Report**

**August 31, 2017**



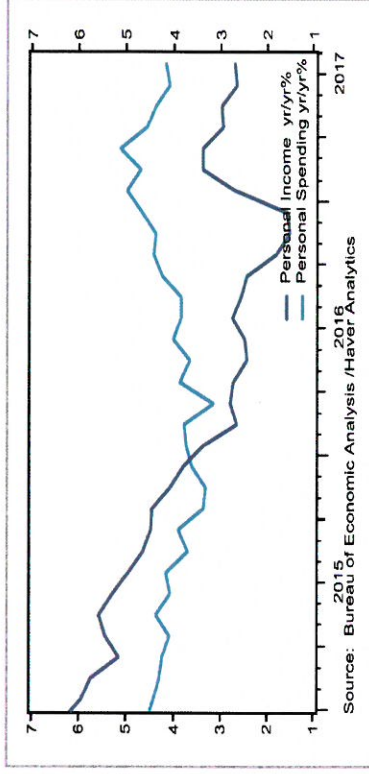
## A Slow Measured Pace

The US markets have absorbed and to a certain extent shrugged off numerous major events in August including an eclipse and a hurricane. North Korea's unbalanced ruler has openly challenged the US and sent missiles capable of carrying nuclear warheads over increasingly populated areas – including Japan. The *risk-on* reaction however has been somewhat moderate taking down yields only slightly, which is normally buoyed by moves to safety but barely noted by the stock markets. Terror attacks from Barcelona to Charlottesville only moved markets tangentially.

The catastrophic devastation created by Hurricane Harvey has mobilized the American spirit and will eventually impact the economy but has yet to be felt. With all these events, the bond market has stayed within a tight trading range and the stocks continue a historic run passing 22,000 on the Dow this month. The Dow will stay fixated on earnings to the exclusion of events until we see a break in the economic outlook or get clear directions from the Central Banks.

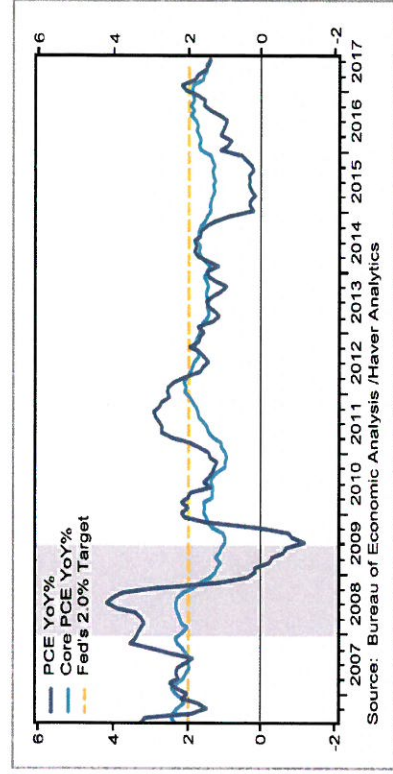
The muted reactions reflect the ho-hum oscillations of two key elements of economic health: jobs and inflation. Jobs creation bounded above 200,000 in June and July, but disappointed in August (156,000). The MOM net effect is a 195,000 average defining full employment but wages are stagnant and the workweek is even shrinking somewhat. This level keeps consumers shopping but is not a panacea for lagging retail sales. If sales continue to decline, layoffs will ensue. Auto demand has fallen slightly but 10 of 13 categories in retail sales continue to be positive although not enough to impact inflation, however which overall remains tame. YOY the CPI is stalled around 1.6% well short of the Federal Reserve's 2% goal. The PCE (Personal Consumption Expenditures) a favorite gauge for the Fed, appears to be dropping. A weaker dollar could help to bolster the inflation as foreign goods rise in price.

The other side of inflation can hurt. Housing, which is a major expenditure for the consumer, has seen price inflation and as a result has slowed new and existing home sales.



All construction and real estate has been slowing slightly as a result of the light inventory of homes, the rapid increase in home prices and the rising mortgage rates. This could be a red flag for the economy.

Although not *smoking* GDP perseveres and stubbornly moves forward. The 2Q revision came in at 3% with hikes in non-resident investment which could mean the consumer is ready to buy-buy-buy again.

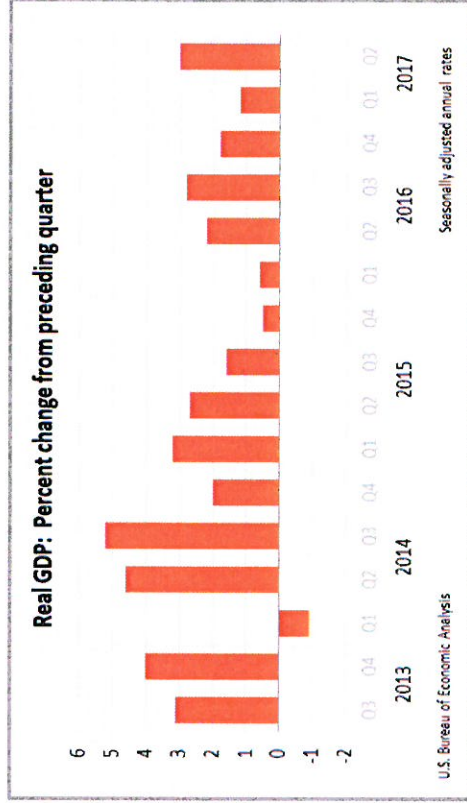


# Politicians and Central Banks

Although economic highlights are a yawn, the politicians and central banks are certainly not. Markets are not going to move appreciably until they see movement and clear direction from the Central Banks. The annual confab in Jackson Hole on *Fostering a Dynamic Global Economy* was short on details. While individual Fed Presidents assume 180° positions, the FOMC is poised to make no change in rates in September on such mediocre jobs and inflation data.

The Fed has telegraphed however that they will be introducing a long-term plan for *Policy Normalization* by reducing the \$2 trillion in excess reserves it has accumulated from QE actions. They are committed to reducing the reserves by \$250bb by 2022, but any kind of tightening is quite different this time around because (1) we have never had to manage this level of reserves, (2) as rates rise the Fed will be hit with materially higher interest to be paid to banks and money funds. Every 1% rate rise adds \$20-25 bb in interest payments. Such moves also (3) are operationally, politically and legislatively challenging.

All of this is coalescing as politicians head back to Congress looking at a looming debt ceiling and a funding challenge. The Treasury has used *extraordinary measures* since spring to delay a debt ceiling fight but they expire 9/29/17. Without an increase the US will default on its I&S payments. As a result another US credit downgrade has already been threatened. It would be highly unlikely that the ceiling won't be raised (although we came to the brink in 2011). It stands now at \$20 trillion. However, a 9/30 deadline for 2018 government funding is right behind it. Without a funding bill the US Government shuts down. Traditionally Congress uses a *continuing resolution* to move the deadline 3 months. Both of these discussions will be compromised this year by Harvey which will require a multi-billion aide package. (Katrina cost about \$60 billion.)

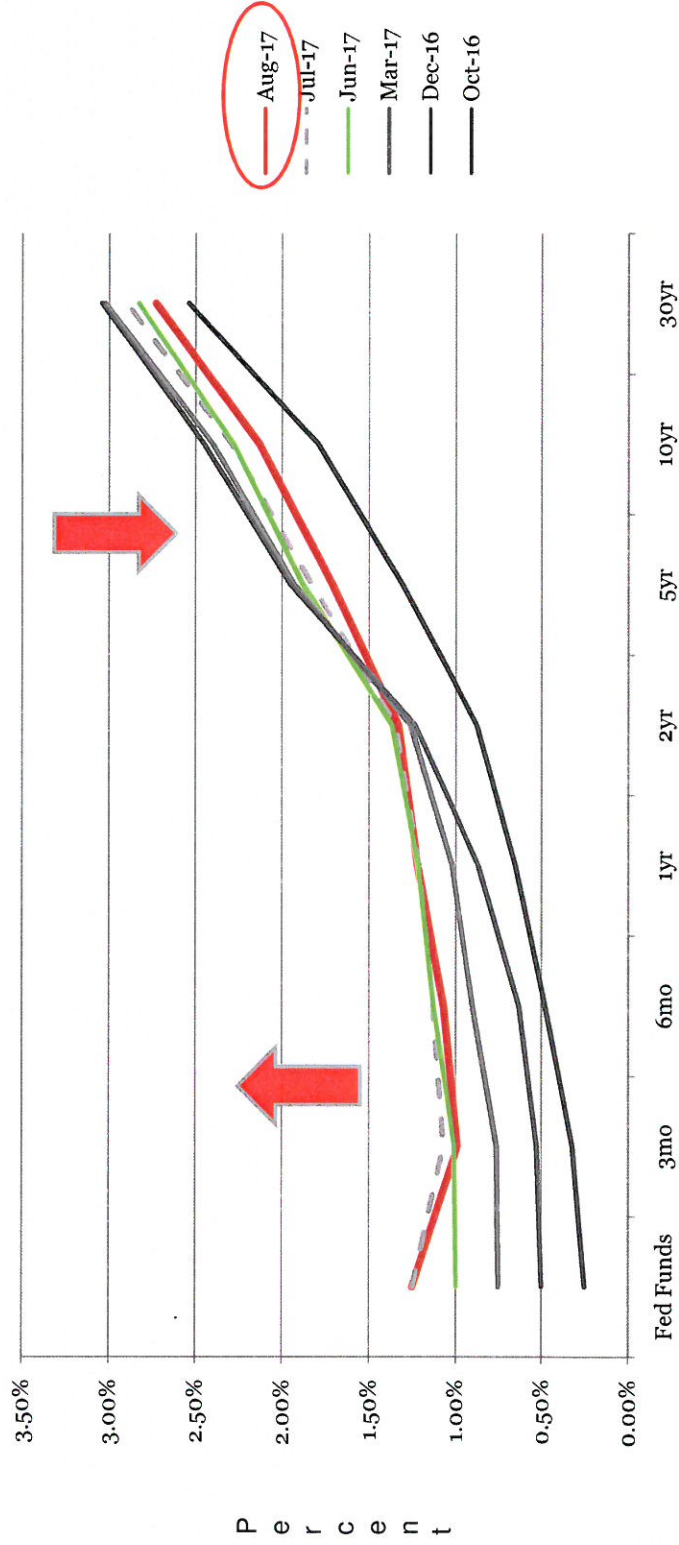


Another major decision is in the works in the financial world. As a result of a major banking scandal last year the Libor (London Interbank Offering Rate) will be replaced in 2021. Major nations are scurrying to create alternative indexes which highlight their currencies. The trading countries are focusing on an index which reflects their own currency. The US is taking a different tack and is out for comments now on SOFR (Secured Overnight Financing Rate). This will be based on the rates on overnight repo collateral at BNY and DTC. Regardless of how it is finally structured this will be a major transition for the markets.

The same stubborn but solid growth is found around the world. The EU is creating jobs and even showing some inflation with their "Made in the Euro Area" campaign.

# Rates Flattening Continues

- The curve ended the month flatter on the month. The 2-yr to 10 yr spread is a narrow 78 bps roughly half of the spread since 2009.
- Rates continue to flatten as the FOMC stays optimistic on inflation but the bond market doesn't believe they will act.
- The short end has moved up with Fed hikes rates but risk off (safety) trades have pushed yields down in the short end as international investors bring money in and cash stays in money funds.
- The long end faces challenges from low inflation, but may start to turn with a weaker dollar in place.
- As low as our US rates are, they remain above other global options which will turn as other central banks raise rates




End of Month Rates - Full Yield Curve - Fed Funds to 30yr

*San Jacinto College District*  
 Monthly Investment Report  
 July 31, 2017 - August 31, 2017

**Portfolio Summary Management Report**

This quarterly report is prepared in compliance with the Investment Policy and Strategy of the District and the Public Funds Investment Act (Chapter 2256, Texas Government Code).

<p><b>Portfolio as of 07/31/17:</b>          Beginning Book Value      \$ 259,633,814          Beginning Market Value    \$ 259,633,814           WAM at Beginning Period Date<sup>1</sup>      1 day  <i>(Decrease in market value is due to seasonal cash outflows)</i></p>	<p><b>Portfolio as of 08/31/17:</b>          Ending Book Value            \$ 248,024,041          Ending Market Value         \$ 248,024,041          Investment Income for the period      \$ 192,607          Unrealized Gain/Loss                    \$            0          WAM at Ending Period Date<sup>1</sup>         1 day           Change in Market Value<sup>2</sup>                \$ (11,609,773)</p>
<p>Average Yield to Maturity for period      0.973%          Average Yield 180-Day Treasury Bill for period    1.130%</p>	

  
 Chet Lewis, Vice Chancellor of Fiscal Affairs  
 San Jacinto College District

  
 William E. Dickerson, Accounting and Financial Services  
 San Jacinto College District

  
 Linda T. Patterson, Investment Advisor, SJCD  
 Patterson & Associates

<sup>1</sup> WAM - weighted average maturity

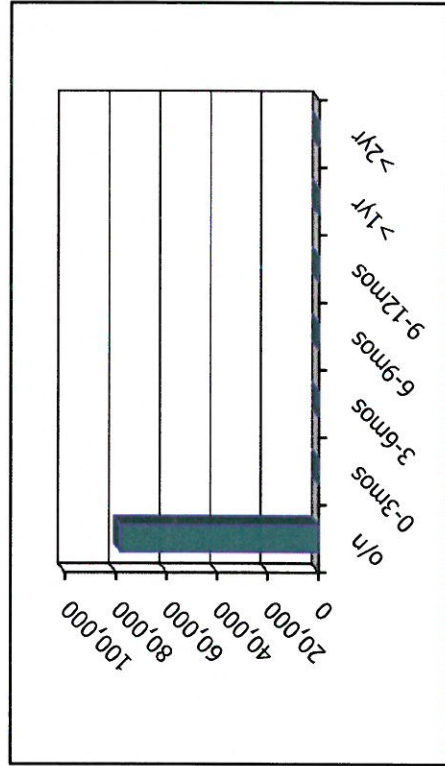
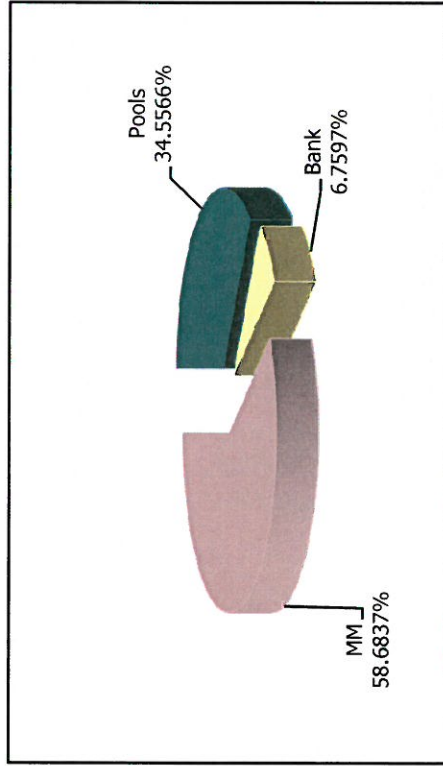
<sup>2</sup> "Change in Market Value" is required data, but will primarily reflect the receipt and expenditure of the College's funds from month to month. *Patterson & Associates* has assisted in the preparation of this consolidated investment report, with additional input provided by the College District.



# General Portfolio

As of August 31, 2017

- P&A constantly reviews your portfolio for optimal asset allocation and a controlled average maturity because a diversified portfolio can better adjust to volatile market conditions.
- The very short-term rates continue to move up with the Fed's move and short term alternatives are available especially for those with access to commercial paper. Rates beyond one year will best the pools.
- Banks remain *uninterested* in new deposits and everyone must review the ECR rates versus those available outside the banks.
- It is time to reduce cash balances and plan for the tax funds coming soon.



# Bond Portfolio

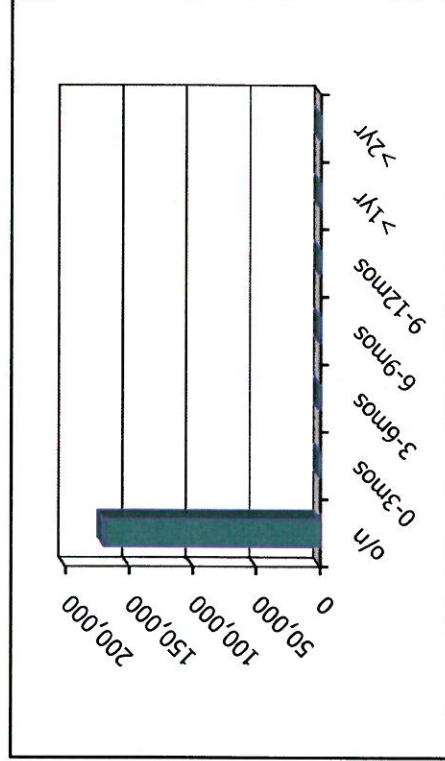
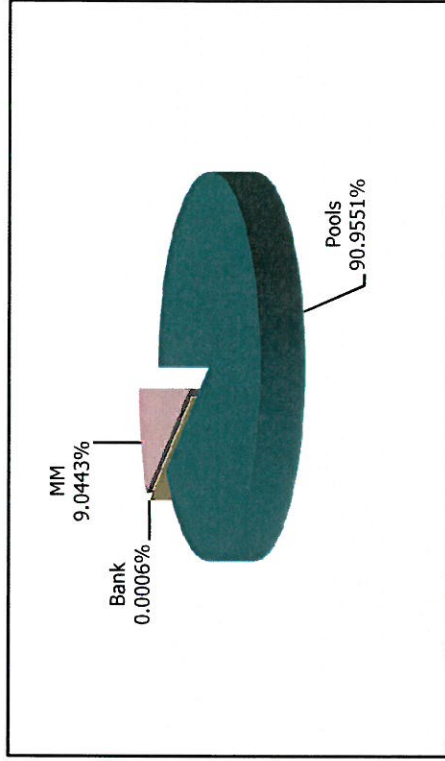
As of August 31, 2017

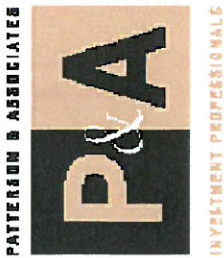
PATTERSON & ASSOCIATES



INVESTMENT PROFESSIONALS

- P&A constantly reviews your portfolio for optimal asset allocation and a controlled average maturity because a diversified portfolio can better adjust to volatile market conditions.
- The very short-term rates continue to move up with the Fed's move and short term alternatives are available especially for those with access to commercial paper. Rates beyond one year will best the pools.
- Banks remain *uninterested* in new deposits and everyone must review the ECR rates versus those available outside the banks.
- It is time to reduce cash balances and plan for the tax funds coming soon.






Patterson & Associates  
 901 S. MoPac  
 Suite 195  
 Austin, TX 78746

San Jacinto Community College  
 Portfolio Management  
 Portfolio Summary  
 August 31, 2017

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 365 Equiv.
Passbook/Checking Accounts	5,278,619.56	5,278,619.56	5,278,619.56	2.13	1	1	0.000
Investment Pools/Money Markets	242,745,421.11	242,745,421.11	242,745,421.11	97.87	1	1	0.994
<b>Investments</b>	<b>248,024,040.67</b>	<b>248,024,040.67</b>	<b>248,024,040.67</b>	<b>100.00%</b>	<b>1</b>	<b>1</b>	<b>0.973</b>
<b>Total Earnings</b>	<b>August 31 Month Ending</b>	<b>Fiscal Year To Date</b>	<b>Fiscal Year Ending</b>				
Current Year	192,606.55	1,519,457.69	1,519,457.69				

The following reports are submitted in accordance with the Public Funds Investment Act (Texas Gov't Code 2256). The reports also offer supplemental information not required by the Act in order to fully inform the governing body of the San Jacinto Community College/Foundation of the position and activity within the College's and Foundation's portfolio of investments. The reports include a management summary overview, a detailed inventory report for the end of the period, a transaction report, as well as graphic representations of the portfolio to provide full disclosure to the governing body.

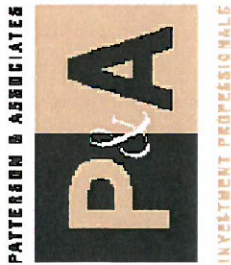
  
 Chet Lewis, Vice Chancellor of Fiscal Affairs  
 9/25/17



Patterson & Associates  
 901 S. MoPac  
 Suite 195  
 Austin, TX 78746

**San Jacinto Community College**  
**Summary by Type**  
**August 31, 2017**  
**Grouped by Fund**

Security Type	Number of Investments	Par Value	Book Value	% of Portfolio	Average YTM 365	Average Days to Maturity
<b>Fund: Bond Funds</b>						
Investment Pools/Money Markets	10	169,929,759.85	169,929,759.85	68.51	0.997	1
<b>Subtotal</b>	<b>10</b>	<b>169,929,759.85</b>	<b>169,929,759.85</b>	<b>68.51</b>	<b>0.997</b>	<b>1</b>
<b>Fund: Consolidated Portfolio</b>						
Passbook/Checking Accounts	9	5,278,619.56	5,278,619.56	2.13	0.000	1
Investment Pools/Money Markets	6	72,815,661.26	72,815,661.26	29.36	0.986	1
<b>Subtotal</b>	<b>15</b>	<b>78,094,280.82</b>	<b>78,094,280.82</b>	<b>31.49</b>	<b>0.920</b>	<b>1</b>
<b>Total and Average</b>	<b>25</b>	<b>248,024,040.67</b>	<b>248,024,040.67</b>	<b>100.00</b>	<b>0.973</b>	<b>1</b>



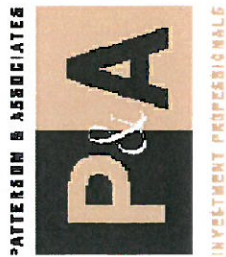
Patterson & Associates  
 901 S. MoPac  
 Suite 195  
 Austin, TX 78746

San Jacinto Community College  
 Fund BOND - Bond Funds  
 Investments by Fund  
 August 31, 2017

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
<b>Investment Pools/Money Markets</b>											
708340211	10064	JPM - Debt Service	12/05/2007	446.74	446.74	446.74	0.220	0.216	0.220		1
XXX794	10228	East West ICS 08 Bond Proceeds	09/09/2014	1,751,089.99	1,751,089.99	1,751,089.99	1.070	1.055	1.070		1
XXX844	10229	East West ICS Debt Service	09/09/2014	8,112,655.80	8,112,655.80	8,112,655.80	1.070	1.055	1.070		1
86-72000794	10231	East West MM 08 Bond Proceeds	09/09/2014	250,225.70	250,225.70	250,225.70	1.070	1.055	1.070		1
86-72004242	10233	East West MM 15 Bond Proceeds	08/06/2015	5,004,805.34	5,004,805.34	5,004,805.34	1.070	1.055	1.070		1
86-72000844	10232	East West MM Debt Service	09/09/2014	250,225.70	250,225.70	250,225.70	1.070	1.055	1.070		1
999999999	10084	LSIP GOF - 2008 Bond Proceeds	10/03/2008	6,076,151.71	6,076,151.71	6,076,151.71	0.990	0.976	0.990		1
999999917	10234	LSIP GOF - 2015 Bond Proceeds	08/06/2015	3,799,199.26	3,799,199.26	3,799,199.26	0.990	0.976	0.990		1
999999918	10235	LSIP GOF - 2016 Bond Proceeds	04/20/2016	144,450,800.88	144,450,800.88	144,450,800.88	0.990	0.976	0.990		1
999999916	10106	LSIP GOF - Debt Service	07/30/2009	234,158.73	234,158.73	234,158.73	0.990	0.976	0.990		1
<b>Subtotal and Average</b>				<b>169,929,759.85</b>	<b>169,929,759.85</b>	<b>169,929,759.85</b>		<b>0.984</b>	<b>0.997</b>		<b>1</b>
<b>Total Investments and Average</b>				<b>169,929,759.85</b>	<b>169,929,759.85</b>	<b>169,929,759.85</b>		<b>0.984</b>	<b>0.997</b>		<b>1</b>

**Fund GEN - Consolidated Portfolio**  
**Investments by Fund**  
**August 31, 2017**

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
<b>Passbook/Checking Accounts</b>											
1390012195A	10164	Bank of America - Operating	09/01/2016	226.76	226.76	226.76					1
9999999914	10089	Credit Cards - In Transit	09/01/2016	226,628.13	226,628.13	226,628.13					1
708340062	10086	Disbursements	09/01/2016	-170,339.26	-170,339.26	-170,339.26					1
707759296	10069	JPM - Federal Programs	09/01/2016	0.00	0.00	0.00					1
707759338	10062	JPM - Operating	09/01/2016	5,215,155.71	5,215,155.71	5,215,155.71					1
707759346	10085	Payroll Fund	09/01/2016	-27,347.40	-27,347.40	-27,347.40					1
9999999913	10088	Petty Cash	09/01/2016	20,317.50	20,317.50	20,317.50					1
707759353	10181	Student Deferred Income	09/01/2016	0.00	0.00	0.00					1
707759361	10103	JPM - Workmen's Comp	09/01/2016	13,978.12	13,978.12	13,978.12					1
				<b>Subtotal and Average</b>	<b>5,278,619.56</b>	<b>5,278,619.56</b>		<b>0.000</b>	<b>0.000</b>		<b>1</b>
<b>Investment Pools/Money Markets</b>											
XXX810	10227	East West ICS	09/09/2014	40,337,165.44	40,337,165.44	40,337,165.44	1.070	1.055	1.070		1
86-7200810	10230	East West MM	09/09/2014	250,225.70	250,225.70	250,225.70	1.070	1.055	1.070		1
9999999993	10034	LSIP GOF - Operating	09/01/2007	21,623.05	21,623.05	21,623.05	0.990	0.976	0.990		1
707759320	10035	JPM - Money Market	09/01/2007	5,001,145.45	5,001,145.45	5,001,145.45	0.270	0.266	0.270		1
9999999996	10038	TCB - Money Market	09/26/2007	240,503.05	240,503.05	240,503.05	0.350	0.345	0.350		1
9999999991	10032	TexPool	09/01/2007	26,964,998.57	26,964,998.57	26,964,998.57	0.999	0.985	0.998		1
				<b>Subtotal and Average</b>	<b>72,815,661.26</b>	<b>72,815,661.26</b>		<b>0.973</b>	<b>0.986</b>		<b>1</b>
				<b>Total Investments and Average</b>	<b>78,094,280.82</b>	<b>78,094,280.82</b>		<b>0.907</b>	<b>0.920</b>		<b>1</b>



Patterson & Associates  
 901 S. MoPac  
 Suite 195  
 Austin, TX 78746

**San Jacinto Community College**  
**Interest Earnings**  
 Sorted by Fund - Fund  
 August 1, 2017 - August 31, 2017  
 Yield on Average Book Value

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Average Book Value	Maturity Date	Current Annualized Rate	Annualized Yield	Adjusted Interest Earnings		
										Interest Earned	Amortization/ Accretion	
<b>Fund: Bond Funds</b>												
708340211	10064	BOND	RRP	446.74	446.66	446.66		0.220	0.211	0.08	0.00	0.08
999999999	10084	BOND	RRP	6,076,151.71	6,134,018.94	6,104,705.04		0.990	0.992	5,142.90	0.00	5,142.90
999999999	10106	BOND	RRP	234,158.73	8,341,474.97	3,639,535.62		0.990	0.981	3,030.97	0.00	3,030.97
XXX794	10228	BOND	RRP	1,751,089.99	1,751,090.08	1,751,090.08		1.070	0.750	1,114.99	0.00	1,114.99
XXX844	10229	BOND	RRP	8,112,655.80	8,105,996.58	8,107,681.04		1.070	0.750	5,165.59	0.00	5,165.59
86-72000794	10231	BOND	RRP	250,225.70	250,214.27	250,007.28		1.070	1.063	225.70	0.00	225.70
86-72000844	10232	BOND	RRP	250,225.70	250,214.28	250,007.28		1.070	1.063	225.70	0.00	225.70
86-72004242	10233	BOND	RRP	5,004,805.34	10,008,570.94	5,322,735.66		1.070	1.063	4,805.34	0.00	4,805.34
999999999	10234	BOND	RRP	3,799,199.26	519,862.98	4,054,745.02		0.990	0.991	3,413.95	0.00	3,413.95
999999999	10235	BOND	RRP	144,450,800.88	145,607,797.56	145,063,989.53		0.990	0.992	122,209.40	0.00	122,209.40
	<b>Subtotal</b>			<b>169,929,759.85</b>	<b>180,969,687.26</b>	<b>174,544,943.21</b>			<b>0.980</b>	<b>145,334.62</b>	<b>0.00</b>	<b>145,334.62</b>
<b>Fund: Consolidated Portfolio</b>												
999999991	10032	GEN	RRP	26,964,998.57	19,170,402.35	22,873,705.33		0.999	1.000	19,417.56	0.00	19,417.56
999999996	10038	GEN	RRP	240,503.05	240,431.58	240,433.89		0.350	0.350	71.47	0.00	71.47
707759320	10035	GEN	RRP	5,001,145.45	6,001,791.93	5,000,036.95		0.270	0.270	1,145.45	0.00	1,145.45
999999993	10034	GEN	RRP	21,623.05	3,006,022.59	873,316.75		0.990	0.981	727.71	0.00	727.71
XXX810	10227	GEN	RRP	40,337,165.44	40,302,721.18	40,312,334.11		1.070	0.750	25,684.04	0.00	25,684.04
86-7200810	10230	GEN	RRP	250,225.70	250,214.28	250,007.28		1.070	1.063	225.70	0.00	225.70
	<b>Subtotal</b>			<b>72,815,661.26</b>	<b>68,971,583.91</b>	<b>69,549,834.31</b>			<b>0.800</b>	<b>47,271.93</b>	<b>0.00</b>	<b>47,271.93</b>
	<b>Total</b>			<b>242,745,421.11</b>	<b>249,941,271.17</b>	<b>244,094,777.52</b>			<b>0.929</b>	<b>192,606.55</b>	<b>0.00</b>	<b>192,606.55</b>

2008 Bond Program								
Preliminary Report As of August 31, 2017								
Project	Base Budget	Budget Adjustments	Current Budget	Executed Change Orders	Encumbered Funds	YTD Expenditures	Remaining Balance	Percent of Budget Encumbered/ Expensed
<b>Central</b>								
<b>North</b>								
2612 - NC Plant Chiller	14,225	1,651,097	1,665,322	-	188,903	1,453,911	22,508	98.65%
<b>Sub-total</b>	<b>14,225</b>	<b>1,651,097</b>	<b>1,665,322</b>	<b>-</b>	<b>188,903</b>	<b>1,453,911</b>	<b>22,508</b>	<b>98.65%</b>
<b>South</b>								
3914 - SC Softball Improvements	850,000	-	850,000	-	94,860	-	755,140	11.16%
<b>Sub-total</b>	<b>850,000</b>	<b>-</b>	<b>850,000</b>	<b>-</b>	<b>94,860</b>	<b>-</b>	<b>755,140</b>	<b>11.16%</b>
<b>District</b>								
720100 - Program Management	-	623,136	623,136	-	24,305	68,573	530,258	14.90%
726800 - Contingency	14,626,260	(7,342,982)	7,283,279	-	-	-	7,283,279	-
726907 - Graphics Phase II	50,000	-	50,000	-	-	29,679	20,321	59.36%
<b>Sub-total</b>	<b>14,676,260</b>	<b>(6,719,846)</b>	<b>7,956,415</b>	<b>-</b>	<b>24,305</b>	<b>98,252</b>	<b>7,833,858</b>	<b>1.54%</b>
<b>Projects Substantially Complete</b>								
2601 - NC Baseball Batting and Pitching	475,965	114,992	590,957	16,903	-	574,566	16,391	97.23%
<b>Sub-total</b>	<b>475,965</b>	<b>114,992</b>	<b>590,957</b>	<b>16,903</b>	<b>-</b>	<b>574,566</b>	<b>16,391</b>	<b>97.23%</b>
<b>Projects Closed</b>								
1001 - CC Primary Service Retrofit	2,774,950	1,695,228	4,470,178	-	-	4,470,178	-	100.00%
1102 - CC In-Fill	47,572	1,148,648	1,196,220	-	-	1,196,220	-	100.00%
1109 - CC Maintenance & Police Bldg	3,560,360	2,702,048	6,262,408	-	-	6,262,408	-	100.00%
1202 - CC Davis Library	8,418,096	(155,756)	8,262,340	-	-	8,262,340	-	100.00%
1203 - CC Anders Gym	10,398,474	(10,288,751)	109,723	-	-	109,723	-	100.00%
1217 - CC Transportation Center Buildout	-	1,039,383	1,039,383	-	-	1,039,383	-	100.00%
1301 - CC Building 31 Renovation	-	497,887	497,887	-	-	497,887	-	100.00%
1817 - CC Transportation Center	17,333,267	2,998,752	20,332,019	(137,768)	-	20,332,019	-	100.00%
1818 - CC Industrial Tech Buildings	7,758,416	(3,727,679)	4,030,737	-	-	4,030,737	-	100.00%
1820 - CC Paving & Drainage	10,490,274	(913,895)	9,576,379	(207,575)	-	9,576,379	-	100.00%
1821 - CC Allied Health Addition	10,568,880	1,189,925	11,758,805	296,549	-	11,758,805	-	100.00%
1908 - CC Science Building	35,752,627	(148,641)	35,603,986	-	-	35,603,986	-	100.00%
1909 - CC Petrochem/Vo Tech Building	-	175,822	175,822	-	-	175,822	-	100.00%
2102 - NC In-Fill	23,086	835,842	858,928	-	-	858,928	-	100.00%
2201 - NC Lehr Library	2,022,600	11,807,330	13,829,930	(33,068)	-	13,829,930	-	100.00%
2202 - NC Nichols Gym	4,949,996	(4,931,379)	18,617	-	-	18,617	-	100.00%
2401 - NC Outdoor Lighting	13,472	785	14,257	-	-	14,257	-	100.00%
2402 - NC MET Infrastructure N Library	851,510	(792,067)	59,443	-	-	59,443	-	100.00%
2901 - NC Paving & Drainage	3,142,449	(435,395)	2,707,054	(15,714)	-	2,707,054	-	100.00%
2903 - NC Student Success Center	11,093,580	801,084	11,894,664	(499,063)	-	11,894,664	-	100.00%
2906 - NC Science & Allied Health	42,240,000	(6,014,982)	36,225,018	-	-	36,225,018	-	100.00%
3102 - SC In-Fill	23,086	947,381	970,467	-	-	970,467	-	100.00%
3201 - SC Parker Williams Library	2,449,600	369,372	2,818,972	-	-	2,818,972	-	100.00%
3202 - SC Smallwood Gym	6,919,331	(6,900,774)	18,557	-	-	18,557	-	100.00%
3401 - SC Traffic Signal Relocation	75,988	(25,773)	50,215	-	-	50,215	-	100.00%
3402 - SC Water and Electrical Upgrade	29,305	(5,044)	24,261	-	-	24,261	-	100.00%
3601 - SC Softball Press Box	26,500	2,291	28,791	-	-	28,791	-	100.00%
3903 - SC Student Success Center	8,220,000	2,074,228	10,294,228	109,650	-	10,294,228	-	100.00%
3905/3911 - SC Paving & Drainage	2,747,068	7,891,993	10,639,061	-	-	10,639,061	-	100.00%
3906 - SC Mechanical Upgrades	1,252,855	(558,604)	694,251	(19,524)	-	694,251	-	100.00%
3907 - SC MEP Infrastructure	4,381,500	283,388	4,664,888	-	-	4,664,888	-	100.00%
*3908 - SC Primary Service at New Site	809,625	(809,625)	-	-	-	-	-	-
3909 - SC Science & Allied Health	53,868,525	(6,251,380)	47,617,145	-	-	47,617,145	-	100.00%
1828/2814/3817 - D DDC Network	2,190,750	318,314	2,509,064	-	-	2,509,064	-	100.00%
6003 - D Graphics	900,000	724,824	1,624,824	-	-	1,624,824	-	100.00%
6007 - D Furniture Consultant	335,000	(335,000)	-	-	-	-	-	-
6601 - D Generation Park	200,000	12,577	212,577	-	-	212,577	-	100.00%
6602 - D District Board Room Renovation	144,951	1,521	146,472	-	-	146,472	-	100.00%
6705 - D Data Networking	3,100,000	130,204	3,230,204	-	-	3,230,204	-	100.00%
6803 - Maritime Training Facility	18,000,000	9,081,110	27,081,110	248,293	-	27,081,110	-	100.00%
6902 - D Campus Mechanical Upgrades	1,869,857	518,564	2,388,421	(3,767)	-	2,388,421	-	100.00%
<b>Sub-total</b>	<b>278,983,550</b>	<b>4,953,756</b>	<b>283,937,306</b>	<b>(261,987)</b>	<b>-</b>	<b>283,937,306</b>	<b>-</b>	<b>100.00%</b>
<b>TOTALS</b>	<b>295,000,000</b>	<b>-</b>	<b>295,000,000</b>	<b>(245,084)</b>	<b>308,068</b>	<b>286,064,035</b>	<b>8,627,897</b>	<b>97.08%</b>



## 2015 Revenue Bond Program

Preliminary As of August 31, 2017

Project	Base Budget	Budget Adjustments	Current Budget	Executed Change Orders	Encumbered Funds	YTD Expenditures	Remaining Balance	Percent of Budget Encumbered/Expensed
<b>North - CIT</b>								
722909 - North CIT	47,591,645	-	47,591,645	-	653,348	41,329,327	5,608,970	88.21%
726908 - Dist Campus Purchases	-	48,952	48,952	-	-	48,952	-	100.00%
Contingency (726900)	2,408,355	(48,952)	2,359,403	-	-	-	2,359,403	-
<b>Sub-total</b>	<b>50,000,000</b>	<b>-</b>	<b>50,000,000</b>	<b>-</b>	<b>653,348</b>	<b>41,378,279</b>	<b>7,968,373</b>	<b>84.06%</b>

**2015 Bond Program**

Preliminary Report as of August 31, 2017

Project	Base Budget	Budget Adjustments	Current Budget	Executed Change Orders	Encumbered Funds	YTD Expenditures	Remaining Balance	Percent of Budget Encumbered/ Expended
<b>Central</b>								
1601 - CC Petrochemical Center	52,450,000	337,630	52,787,630	-	1,262,662	2,526,489	48,998,479	7.18%
1601A - CC Petrochem Process Plant	-	7,630,389	7,630,389	-	632,297	84,962	6,913,130	9.40%
1601B - CC Petrochem Extended Site Development	-	7,946,009	7,946,009	-	-	-	7,946,009	-
1602 - CC Welcome Center	16,600,000	2,810,920	19,410,920	-	792,343	114,830	18,503,747	4.67%
1602A - CC Welcome Center Site Development	-	3,000,000	3,000,000	-	69,718	1,062	2,929,220	2.36%
1603 - CC Class Room Building	47,155,000	(1,475,952)	45,679,049	-	44,300	26,650	45,608,099	0.16%
1604 - CC Central Data Closets	2,444,000	(76,497)	2,367,503	-	29,000	-	2,338,503	1.22%
1605 - CC Central Access Security	1,852,000	(578,768)	1,273,232	-	29,976	191	1,243,065	2.37%
1606 - CC Frels Demo	1,153,000	-	1,153,000	-	-	-	1,153,000	-
1607 - CC Davison Building Reno	14,970,000	(468,561)	14,501,439	-	-	-	14,501,439	-
1608 - CC McCollum Center Reno	24,685,000	(772,641)	23,912,359	-	33,500	-	23,878,859	0.14%
1609 - CC McCollum North Reno	2,535,000	(79,346)	2,455,655	-	-	-	2,455,655	-
1610 - CC Ball Demo	1,725,000	-	1,725,000	-	-	-	1,725,000	-
1611 - CC Anderson Demo	2,654,000	(83,070)	2,570,930	-	-	-	2,570,930	-
1612 - CC Stadium and Track Demo	174,000	(5,446)	168,554	-	-	-	168,554	-
1613 - CC Central DDC Network	1,160,000	(36,308)	1,123,692	-	235,642	3,174	884,876	21.25%
1614 - CC Central Plant Upgrades	1,160,000	(36,308)	1,123,692	-	62,032	1,428	1,060,232	5.65%
<b>Sub-total</b>	170,717,000	18,112,052	188,829,052	-	3,191,470	2,758,786	182,878,796	3.15%
<b>North</b>								
2601 - NC Cosmetology & Culinary Center	22,845,000	(715,048)	22,129,952	-	908,666	77,707	21,143,579	4.46%
2602 - NC North Data Closets	915,000	(28,640)	886,360	-	34,140	-	852,220	3.85%
2604 - NC Lehr Library Demo	650,000	(20,345)	629,655	-	87,704	117,934	424,017	32.66%
2605 - NC North Access/Security	877,000	93,950	970,950	-	22,482	191	948,277	2.34%
2606 - NC Wheeler Reno	14,300,000	(447,590)	13,852,410	-	10,800	-	13,841,610	0.08%
2607 - NC Brightwell Reno	6,628,000	(207,456)	6,420,544	-	-	-	6,420,544	-
2608 - NC Spencer Reno	13,000,000	(406,900)	12,593,100	-	-	-	12,593,100	-
2609 - NC North DDC Network	580,000	(18,154)	561,846	-	110,361	1,600	449,885	19.93%
2610 - NC Underground Utility Tunnel	11,600,000	(6,100,000)	5,500,000	-	352,495	57,705	5,089,800	7.46%
2612 - NC Uvalde Expansion	5,000,000	-	5,000,000	-	-	-	5,000,000	-
<b>Sub-total</b>	76,395,000	(7,850,183)	68,544,817	-	1,526,648	255,137	66,763,032	2.60%
<b>South</b>								
3601 - SC Engineering & Technology Center	28,400,000	(888,920)	27,511,080	-	10,016	101,177	27,399,887	0.40%
3602 - SC Cosmetology Center	16,213,000	(507,466)	15,705,534	-	691,271	66,622	14,947,641	4.83%
3603 - SC Longenecker Reno	22,555,000	(705,972)	21,849,028	-	33,918	4,117	21,810,993	0.17%
3604 - SC South Data Closets	765,000	(23,944)	741,056	-	20,140	-	720,916	2.72%
3605 - SC South Primary Electrical Upgrade	5,800,000	(181,540)	5,618,460	-	-	-	5,618,460	-
3606 - SC South Access/ Security	599,000	214,250	813,250	-	18,735	191	794,324	2.33%
3607 - SC South HW/CW Relocation	10,266,000	(321,326)	9,944,674	-	-	-	9,944,674	-
3608 - SC South Sanitary Sewer Rehabilitation	1,160,000	(36,308)	1,123,692	-	-	-	1,123,692	-
3610 - SC Jones Reno	13,803,000	(432,034)	13,370,966	-	-	-	13,370,966	-
3611 - SC Bruce Student Center Reno	10,400,000	(325,520)	10,074,480	-	710,278	1,243,558	8,120,644	19.39%
3612 - SC HVAC Tech	312,000	2,000,000	2,312,000	-	33,700	4,300	2,274,000	1.64%
3613 - SC South DDC Network	580,000	(18,154)	561,846	-	145,077	1,950	414,819	26.17%
<b>Sub-total</b>	110,853,000	(1,226,934)	109,626,066	-	1,663,135	1,421,915	106,541,016	2.81%
<b>Maritime</b>								
6603 - MC Maritime Expansion	28,000,000	(13,000,000)	15,000,000	-	-	-	15,000,000	-
<b>Sub-total</b>	28,000,000	(13,000,000)	15,000,000	-	-	-	15,000,000	-
<b>Admin</b>								
6602 - College Development	30,000,000	-	30,000,000	-	-	-	30,000,000	-
6604 - Dist Construction Studies	-	366,510	366,510	-	121,700	225,242	19,568	94.66%
6605 - Dist Access/Security	-	166,400	166,400	-	3,747	-	162,653	2.25%
720100 - Program Management	-	9,118,003	9,118,003	-	292,665	2,053,856	6,771,482	25.74%
736601 - Contingency	-	3,349,152	3,349,152	-	-	-	3,349,152	-
<b>Sub-total</b>	30,000,000	13,000,065	43,000,065	-	418,112	2,279,098	40,302,855	6.27%
<b>Projects Closed</b>								
2603 - NC Chiller Plant Replacement	1,450,000	(1,450,000)	-	-	-	-	-	-
2611 - NC 24 Acres Wetlands Mitigation	2,000,000	(2,000,000)	-	-	-	-	-	-
3609 - SC Fire House Expansion	5,585,000	(5,585,000)	-	-	-	-	-	-
<b>Sub-total</b>	9,035,000	(9,035,000)	-	-	-	-	-	-
<b>TOTALS</b>	<b>425,000,000</b>	<b>-</b>	<b>425,000,000</b>	<b>-</b>	<b>6,799,365</b>	<b>6,714,936</b>	<b>411,485,699</b>	<b>3.18%</b>



# 2015 Bond Program Master Schedule

ID	Task Mode	Task Name	Duration	Start	Finish	2017		2018		2019		2020		2021		2022
						1st Quarter	3rd Quarter	1st Quarter	3rd Quarter	1st Quarter	3rd Quarter	1st Quarter	3rd Quarter	1st Quarter	3rd Quarter	
0		<b>2015 Bond Master Schedule</b>	<b>1305 days?</b>	<b>Wed 8/24/16</b>	<b>Tue 8/24/21</b>											
1		<b>Central Campus</b>	<b>1288 days</b>	<b>Wed 8/24/16</b>	<b>Sun 8/1/21</b>											
2		<b><u>Petro-Chem Move In Completion</u></b>	<b>1 day</b>	<b>Mon 4/1/19</b>	<b>Mon 4/1/19</b>											
3		Central Plant Upgrade	334 days	Fri 3/31/17	Wed 7/11/18											
9		Stadium & Track Demolition	130 days	Fri 9/15/17	Thu 3/15/18											
14		Welcome Center	562 days	Wed 3/1/17	Thu 4/25/19											
20		Expanded Welcome Center Site Development (Package	340 days	Thu 6/15/17	Wed 10/3/18											
25		Davison Bldg. Renovation	489 days	Mon 9/10/18	Thu 7/23/20											
31		Anderson Demolition	200 days	Mon 10/14/19	Fri 7/17/20											
36		Ball Demolition	200 days	Mon 10/14/19	Fri 7/17/20											
41		Classroom Building	560 days	Mon 6/10/19	Fri 7/30/21											
47		Bldg. 02-Early College HS	360 days	Thu 3/15/18	Wed 7/31/19											
53		McCullum Center Section Renovation	520 days	Fri 6/1/18	Thu 5/28/20											
59		McCullum North Wing Renovation	260 days	Fri 10/4/19	Thu 10/1/20											
65		Frels Demolition	240 days	Mon 8/31/20	Fri 7/30/21											
70		<b>North Campus (pending final campus site plan)</b>	<b>1256 days</b>	<b>Tue 11/1/16</b>	<b>Tue 8/24/21</b>											
71		Lehr Library Demolition	201 days	Mon 3/13/17	Mon 12/18/17											
76		Cosmetology/Culinary Center	754 days	Tue 11/1/16	Fri 9/20/19											
82		Underground Utility Tunnel Renovation	619 days	Wed 3/1/17	Mon 7/15/19											
88		Spencer Building Renovation	505 days	Wed 11/1/17	Tue 10/8/19											
94		Brightwell Building Renovation	505 days	Wed 10/3/18	Tue 9/8/20											
100		Wheeler Building Renovation	525 days	Wed 8/21/19	Tue 8/24/21											
106		<b>South Campus (pending final campus site plan)</b>	<b>1305 days?</b>	<b>Wed 8/24/16</b>	<b>Tue 8/24/21</b>											
107		Bruce Student Center Renovation (Phase I)	174 days	Tue 12/13/16	Fri 8/11/17											
115		Bruce Student Center Renovation (Phase II)	510 days	Wed 9/11/19	Tue 8/24/21											
121		HVAC Tech Renovation	390 days	Wed 5/24/17	Tue 11/20/18											
128		Engineering & Technology Center	693 days	Wed 1/25/17	Fri 9/20/19											
134		Cosmetology Center	696 days	Fri 11/25/16	Fri 7/26/19											
140		Longenecker Building Renovation (Phase I)	410 days	Fri 6/30/17	Thu 1/24/19											
146		Longenecker Building Renovation (Phase II)	245 days	Fri 11/2/18	Thu 10/10/19											
150		Bldg. 07-Early College HS	490 days	Fri 8/25/17	Thu 7/11/19											
156		Jones Bulding Renovation	510 days	Tue 9/3/19	Mon 8/16/21											
162		Expansion of Building 23 (HVAC Tech)	1 day?	Wed 8/24/16	Wed 8/24/16											
168		Primary Electrical Service Upgrade	401 days	Fri 5/5/17	Fri 11/16/18											
174		HW/CW Piping Replacement	485 days	Tue 6/20/17	Mon 4/29/19											
180		Sanitary Sewer Rehabilitation	320 days	Mon 6/12/17	Fri 8/31/18											
186		<b>Campus Wide Projects</b>	<b>1212 days?</b>	<b>Mon 1/2/17</b>	<b>Tue 8/24/21</b>											
187		DDC Network (Campus Wide Package #1)	336 days	Mon 1/2/17	Mon 4/16/18											
193		Access/Security (Campus Wide)	140 days	Mon 5/1/17	Fri 11/10/17											
195		Data Closets (Campus Wide Package #1)	410 days	Wed 1/25/17	Tue 8/21/18											
201																

Project: 2015 Bond Master Schedule

Task		Inactive Task		Manual Summary Rollup		External Milestone		Progress	
Split		Inactive Milestone		Manual Summary		Deadline		Manual Progress	
Milestone		Inactive Summary		Start-only		Path Driving Predecessor Milestone Task			
Summary		Manual Task		Finish-only		Path Driving Predecessor Summary Task			
Project Summary		Duration-only		External Tasks		Path Driving Predecessor Normal Task			

## Repair and Renovation

Preliminary Report As of August 31, 2017

Project	Base Budget	Budget Adjustments	Current Budget	Executed Change Orders	Encumbered Funds	FY17 Expenditures	Total Expenditures	Moved to Construction in Process	Remaining Balance	Percent of Budget Encumbered /Expensed
<b>Central</b>										
F16097 - CC - C11 Tier 1 Upgrades	42,257	-	42,257	-	27,957	14,210	14,210	-	90	99.79%
F17001 - CC Misc. R&R at Central Campus	5,000	15,000	20,000	-	3,361	1,828	1,828	-	14,811	25.95%
F17056 - CC C16.104 Tier 1 Upgrade	11,750	-	11,750	-	10,808	942	942	-	-	100.00%
<b>Sub-total</b>	<b>59,007</b>	<b>15,000</b>	<b>74,007</b>	<b>-</b>	<b>42,126</b>	<b>16,980</b>	<b>16,980</b>	<b>-</b>	<b>14,901</b>	<b>79.87%</b>
<b>North</b>										
F17035 - NC N12 Fire Alarm	55,448	-	55,448	-	55,448	-	-	-	-	100.00%
F17064 - NC N110.113 Classroom Renovation	19,908	-	19,908	-	19,908	-	-	-	-	100.00%
F17065 - NC N10.123 Classroom Renovation	19,908	-	19,908	-	19,908	-	-	-	-	100.00%
<b>Sub-total</b>	<b>95,264</b>	<b>-</b>	<b>95,264</b>	<b>-</b>	<b>95,264</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100.00%</b>
<b>South</b>										
F17069 - SC Lifecycle Furniture	43,622	-	43,622	-	43,622	-	-	-	-	100.00%
<b>Sub-total</b>	<b>43,622</b>	<b>-</b>	<b>43,622</b>	<b>-</b>	<b>43,622</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100.00%</b>
<b>District</b>										
F17004 - Dist Misc. at the College Admin Bldg.	5,000	1,171	6,171	-	500	5,410	5,410	-	261	95.78%
F17008 - Dist A1. ADA Design Services	20,360	-	20,360	-	13,050	7,310	7,310	-	-	100.00%
F17040 - Dist A2.208 Purchasing	7,299	-	7,299	-	5,409	1,890	1,890	-	-	100.00%
F17068 - Dist Safety Office Reconfiguration	14,851	-	14,851	-	14,851	-	-	-	-	100.00%
<b>Sub-total</b>	<b>47,510</b>	<b>1,171</b>	<b>48,681</b>	<b>-</b>	<b>33,810</b>	<b>14,610</b>	<b>14,610</b>	<b>-</b>	<b>261</b>	<b>99.46%</b>
<b>Contingency (720700)</b>	<b>1,070,684</b>	<b>(963,113)</b>	<b>107,571</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>107,571</b>	<b>-</b>
<b>Sub-total</b>	<b>1,070,684</b>	<b>(963,113)</b>	<b>107,571</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>107,571</b>	<b>-</b>
<b>Projects Closed</b>										
F16035 - CC C32 Concrete Pad	10,898	-	10,898	-	-	10,898	10,898	-	-	100.00%
F16067 - CC Tank Storage Roof	4,638	-	4,638	-	-	4,638	4,638	-	-	100.00%
F16106 - CC C30.115 Dual Projection	15,362	-	15,362	-	-	15,362	15,362	-	-	100.00%
F17014 - CC C30.110 Drill Press	4,137	-	4,137	-	-	4,137	4,137	-	-	100.00%
F17016 - CC C1.129 Redesign	11,646	404	12,050	-	-	12,050	12,050	-	-	100.00%
F17018 - CC Vet Center Window Film	813	-	813	-	-	813	813	-	-	100.00%
F17021 - CC C3.150/152 Renovation	35,845	943	36,788	-	-	36,788	36,788	-	-	100.00%
F17022 - CC Projection Upgrades	6,783	(5,745)	1,038	-	-	1,038	1,038	-	-	100.00%
F17026 - CC C3.116 Family Restroom	2,961	-	2,961	-	-	2,961	2,961	-	-	100.00%
F17028 - CC C17 Anderson Bldg Humidity	14,420	4,120	18,540	-	-	18,540	18,540	-	-	100.00%
F17033 - CC C30.109/120 AV Upgrade	10,301	-	10,301	-	-	10,301	10,301	-	-	100.00%
F17038 - CC C3 & C14 Card Readers	10,868	-	10,868	-	-	10,868	10,868	-	-	100.00%
F17039 - CC C34.116 Additional Outlets/Panel	10,913	-	10,913	-	-	10,913	10,913	-	-	100.00%
F17042 - CC C11 Elevator	53,848	(3,480)	50,368	-	-	50,368	50,368	-	-	100.00%
F17043 - CC Life Cycle	99,856	-	99,856	-	-	99,856	99,856	-	-	100.00%
F17044 - CC C16.101 Gas Line	6,840	-	6,840	-	-	6,840	6,840	-	-	100.00%
F17057 - CC C14.200/240 Conference Rooms	17,139	-	17,139	-	-	17,139	17,139	-	-	100.00%
F16089 - NC N10.149 Renovation	7,179	-	7,179	-	-	7,179	7,179	-	-	100.00%
F17002 - NC Misc. R&R at North Campus	5,000	(967)	4,033	-	-	4,033	4,033	-	-	100.00%
F17006 - NC N1.122 & 147 Lighting	2,578	-	2,578	-	-	2,578	2,578	-	-	100.00%
F17012 - NC N10.252 Electrical and AV/Data	1,903	-	1,903	-	-	1,903	1,903	-	-	100.00%
F17013 - NC N10.230 Electrical and AV/Data	5,616	-	5,616	-	-	5,616	5,616	-	-	100.00%
F17023 - NC N9 FMG Window Film	1,100	405	1,505	-	-	1,505	1,505	-	-	100.00%
F17041 - NC Life Cycle	48,683	-	48,683	-	-	48,683	48,683	-	-	100.00%
F16098 - SC S8.2014 Tier 1 Upgrade	22,593	-	22,593	-	-	22,593	22,593	12,820	-	100.00%
F16099 - SC S8.1062 Tier 1 Upgrade	12,872	-	12,872	-	-	12,872	12,872	12,872	-	100.00%
F17003 - SC Misc. R&R at South Campus	5,000	1,493	6,493	-	-	6,493	6,493	-	-	100.00%
F17011 - SC AECOM Build-Out	20,000	78,959	98,959	-	-	98,959	98,959	-	-	100.00%
F17015 - SC S6.160 Demountable Door	2,721	-	2,721	-	-	2,721	2,721	-	-	100.00%
F17025 - SC S.1 Emergency Power Rev	31,031	-	31,031	-	-	31,031	31,031	-	-	100.00%
F17046 - SC S1 Occupational Therapy Prog	48,676	-	48,676	-	-	48,676	48,676	-	-	100.00%
F16081 - Dist A1.114 Renovation for OGM	195,710	(4,914)	190,796	-	-	4,545	190,796	190,796	-	100.00%
F17005 - Dist Misc. Furniture Storage All Campuses	5,000	(1,783)	3,217	-	-	3,217	3,217	-	-	100.00%
F17007 - DIST A1.105 Power Whips	2,140	-	2,140	-	-	2,140	2,140	-	-	100.00%
F17009 - Dist F1 Furniture Moves	5,000	(2,095)	2,905	-	-	2,905	2,905	-	-	100.00%
F17027 - Dist Maritime Family RR	20,110	-	20,110	-	-	20,110	20,110	-	-	100.00%
F17029 - Dist - A1 Landscaping	30,891	(30,891)	-	-	-	-	-	-	-	-
F17031 - Dist A.1 RR Noise Abatement	9,623	-	9,623	-	-	9,623	9,623	-	-	100.00%
F17045 - Dist Reconfigure A2.122i	1,246	-	1,246	-	-	1,246	1,246	-	-	100.00%
F17062 - Dist A1.203b IT Upgrade	6,952	-	6,952	-	-	6,952	6,952	-	-	100.00%
<b>Sub-total</b>	<b>808,892</b>	<b>36,449</b>	<b>845,341</b>	<b>-</b>	<b>-</b>	<b>659,090</b>	<b>845,341</b>	<b>216,488</b>	<b>-</b>	<b>100.00%</b>
<b>TOTALS</b>	<b>2,124,979</b>	<b>(910,493)</b>	<b>1,214,486</b>	<b>-</b>	<b>214,822</b>	<b>690,680</b>	<b>876,931</b>	<b>216,488</b>	<b>122,733</b>	<b>89.89%</b>

## Energy Conservation and Air Monitoring Project

Preliminary As of August 31, 2017

Project	Base Budget	Budget Adjustments	Current Budget	Executed Change Orders	Encumbered Funds	YTD Expenditures	Remaining Balance	Percent of Budget Encumbered/ Expensed
<b>College Wide</b>								
E17001 - Energy Project		151,783	151,783	-	76,341	68,449	6,993	95.39%
Contingency	1,400,000	(151,783)	1,248,217	-	-	-	1,248,217	-
<b>Sub-total</b>	1,400,000	-	1,400,000	-	76,341	68,449	1,255,210	10.34%

**SAN JACINTO COLLEGE DISTRICT**  
**Building Committee Meeting**  
**September 19, 2017**

Members Present: Dan Mims, Erica Davis Rouse, John Moon, Jr.

Members Absent: Marie Flickinger

Others Trustees Present: None

Others Present: Dr. Brenda Hellyer, Bill Dowell, Ken English (AECOM), Bryan Jones, Angela Klaus, Ann Kokx-Templett, Chet Lewis, Frank Rizzo, Janet Slocum, Charles Smith

- I. The meeting was called to order at 4:01 p.m. by Committee Chair, Dan Mims.
- II. Roll Call of Committee Members by Dan Mims
  - a. Erica Davis Rouse, present.
  - b. John Moon, Jr., present.
  - c. Other Trustees present: None
- III. Approval of Minutes from the September 6, 2017 Building Committee Meeting
  - a. Dan Mims presented the minutes of the September 6, 2017 Building Committee meeting. A motion was made by John Moon, Jr. to accept the minutes as presented. This was seconded by Erica Davis Rouse. The minutes were approved as presented.
- IV. Recommended Projects and Delivery Methods which will provide the best value to the College
  - a. Consideration of Approval to Purchase Computers
    - i. This request provides approval for the replacement of aging equipment and increase the reliability of equipment used for instruction and administration purposes. Estimated expenditure for the Dell request is \$125,000 and for Apple, \$615,000. This funding amount provides for approximately 257 Apple and 576 Dell computers.
  - b. Consideration of Approval of Additional Funds for Program Management Services
    - i. Approval of this request will provide for the continuation of the program management services at the North Campus Center for Industrial Technology project through project close-out period. Rizzo & Associates will be compensated for the basic fee and reimbursable labor costs as per the established contract. The additional fees are related to services provided beyond the originally planned substantial completion date and additional services needed to manage recent lab alterations and building modifications. The estimated additional amount required to complete the project is \$127,000.
  - c. Consideration of Approval of Method of Procurement and Authorization of Contract Award for LED Lighting Project

- i. Although the costs to complete this project will be reimbursed by an industry partner, the procurement must be managed as though it will be fully funded by the College. This requires Board approval of the total expenditure amount and approval of the competitive sealed proposal (CSP) procurement methodology. Solicitation Number 18-10 provides for “turn-key” electrical installation labor and materials supplied for completion of the project. Representatives from Facilities Services and ACR Engineering, Inc. will evaluate the proposals to determine which firm can provide the best value to the College.

V. Project Updates – Bond

a. South Campus – Softball Improvements

- i. The bleachers and associated press box have been ordered and plans for the building foundation are being completed. It is estimated that the bleacher and press box project will be completed by January 2018. Cost estimates are being developed for the practice facility, dugout and bullpen.
- ii. Contracts will be developed with IBI architects for the architectural design of the project components. Brooks & Sparks will be engaged to provide foundation, storm water and related permitting support for the project.

b. Central Campus – Center for Petrochemical, Energy, & Technology

- i. The groundbreaking ceremony for the project is scheduled for Wednesday, September 20th, at 11:00 a.m.
- ii. Actual ground breaking work at the site will begin next week after the building permits are issued by the City of Pasadena. Formal Notice to Proceed is expected to be issued by the College Monday, September 25th.
- iii. The process plant/glycol unit is in design, with the project completion expected by end of October 2018.

c. Central Campus – Welcome Center

- i. This project has moved back to Schematic Design due to the architect’s original concept design being over budget. We will bring this project back for review later this fall. The project may require a small budget increase in order to assure best overall value delivered to the College.

d. Central Campus – Stadium and Track Demolition

- i. The engineer assigned to this project is developing a demolition plan. It is expected that we will have this design package ready for issue within 45 days. It is expected to have the demolition work begin during the Christmas break.

e. Central Campus – Welcome Center Site and Extended Site

- i. This project will be carried out in multiple phases. The utility extension and connection to the Welcome Center site will happen first. The realignment to Shochler Drive will be carried out near the end of the 2015 Bond Program due to



the need to retain use of the thermal storage tank. The central plant upgrades require shutting down the entire campus chilled water system for approximately 30 days, therefore we have postponed this work until the 2018 Winter break.

- f. Central Campus – Classroom Building Remodel
  - i. Architectural programming of the building is close to completion. We will begin the design process for the building soon when the architectural programming is completed.
- g. College-Wide Data Closets
  - i. Design for this project continues with generators and redundant computer room air conditioning systems being installed at each ILC data center. The North and South Campus projects are now in permit review.
- h. Campus Wide – Direct Digital Control (DDC) Network
  - i. This project entails replacement of damaged or failed flow, temperature, and pressure sensors throughout the College HVAC and chilled water systems. This project is planned to be completed by the end of this year.
- i. Campus-Wide Access and Security Study/Improvements
  - i. The draft report has been reviewed by the project steering committee, and substantial restructuring of the presented information is being requested of the consulting firm. A presentation with recommendations to the College leadership is planned for November.
- j. Central Campus – Frels and McCollum Building
  - i. HKS architects has been contracted to study the current condition of each of the C2 and C20 buildings and associated systems at the Central Campus. This study will provide current condition assessments needed to make a determination of the degree of renovation each would require for continued use. We anticipate bringing the architect's recommendations and cost estimates to the Building Committee for review in November.
- k. North Campus –Cosmetology and Culinary building
  - i. Final programming has been completed. The project team is reviewing and deciding which of the two proposed locations on campus is best suited for the size and function of the building and will review the recommendation with the committee.
- l. North Campus – Lehr Library Demolition
  - i. This is completed and the site is poised for landscape sprinkler installation. The project is currently \$400,000 under budget.

- m. North Campus – Underground Tunnel Renovation
  - i. Design of the tunnel renovation project continues. Power outages will be required to complete this project and these will all be coordinated and scheduled with the campus leadership.
- n. South Campus – Cosmetology Building
  - i. Programming is completed, and the architect and contractor are beginning detailed design work. Preliminary indication is that the project is in budget.
- o. South Campus – HVAC Tech Building
  - i. Architectural programming is beginning very soon, and building design will start within 1 to 2 months.
- p. South Campus – Engineering & Technology Center
  - i. The architect and contractor are beginning design work.
- q. South Campus – Longenecker Building
  - i. The architect has completed their initial review of the building condition and it is believed the renovation project can be completed within budget. There are new fire code considerations that may require changes of distribution of the population within the building. This would be necessary to avoid having to add additional stairwells. This issue will be evaluated and coordinated with the campus personnel as details become available.
- r. South Campus – Bruce Student Center
  - i. The phase I renovation has been completed.
- s. Financial Reports – Bond Funds
  - i. It was determined that items being funded using the 2008 Bond Contingency funds are to be broken down into two types. The first is for funds related to the proposed projects and second for unreserved or unallocated funds. The projects will be moved to individual projects after they are approved.

VI. Cost Impact of Hurricane Harvey

- i. Ken English gave an update on the immediate impact being seen in the Houston area as a result of storm damage. The areas with the greatest impact are interior, drywall, painting, and ceilings. Lumber has already increased about ten percent. Labor is another factor due to people already working on home repairs in Texas and Florida. In the Gulf Coast area, we expect to see a minimum 10-12% increase in overall construction costs this year related to the storms.

VII. Adjournment – The meeting was adjourned at 4:33 p.m.

**Action Item “IX”**  
**Regular Board Meeting October 2, 2017**  
**Consideration of Approval of Amendment to the 2017-2018 Budget**  
**for Restricted Revenue and Expenses Relating to Federal and State Grants**

**ADMINISTRATION RECOMMENDATION/REPORT**

The administration recommends that the Board of Trustees approve an amendment to the 2017-2018 budget for restricted revenue and expenses related to grants.

**BACKGROUND**

Federal, state, and local grants may require amendments for receipt of newly awarded grants or changes to existing grants. These amendments should be processed in a timely manner in order to provide the access to funding to meet the objectives set forth within the grant requirements. This budget amendment request includes the additions to restricted revenues and restricted expenses as a result of new awards and changes to existing grants received during the month of September, 2017.

**IMPACT OF THIS ACTION**

Approval of the budget amendment will allow the College’s staff to implement the programs in accordance with the requirements of funded award amounts.

**BUDGET INFORMATION (INCLUDING ANY STAFFING IMPLICATIONS)**

Restricted revenues and restricted expenses will each be increased by \$422,848, so the net impact on the College budget is zero.

**MONITORING AND REPORTING TIMELINE**

The Office of Grants Management provides continuous monitoring of grant operations, which are included in the annual financial report to the Board of Trustees.

**ATTACHMENTS**

Attachment 1- Budget Amendments-10-02-17

Attachment 2- Grant Detail-10-02-17

**RESOURCE PERSONNEL**

Chet Lewis

281-998-6306

chet.lewis@sjcd.edu

Michael Lee Moore

281-998-6162

michael.moore@sjcd.edu

SAN JACINTO COLLEGE DISTRICT  
Federal, State, and Local Grant Amendments  
October 2, 2017

	Fund	Org.	Account	Prog.	Amount Debit (Credit)
<u>U.S. Department of Education TRiO program - Talent Search IV (Incremental Funding - Year 2)</u>					
Federal Grant Revenue	538429	56700	554100	110000	(245,997)
Non-Instr Labor - Staff	538429	56700	612000	460913	124,000
Fringe Benefits	538429	56700	650000	460913	37,600
Supplies	538429	56700	711000	460913	3,553
Staff Travel	538429	56700	721210	460913	11,700
Student Travel	538429	56700	721310	460913	62,447
Contractual Svcs - Printing	538429	56700	731330	460913	400
Contractual Svcs - Mailing	538429	56700	731340	460913	500
Indirect Costs	538429	56700	731500	620909	3,547
Telecommunications - Cell Phones	538429	56700	761520	460913	2,250
					<u>2,250</u>
					\$ -
<u>U.S. Department of Education/Texas Higher Education Coordinating Board - Carl Perkins</u>					
<u>Open Educational Resources Leadership Grant 2017-2018 (New Grant)</u>					
Federal Grant Revenue	538438	56700	554100	110000	(129,351)
Faculty Grant Stipends	538438	56700	614391	460961	15,000
Fringe Benefits	538438	56700	650000	460961	4,800
Travel	538438	56700	721000	460961	4,898
Indirect Costs	538438	56700	731500	620909	1,325
Contracted Services - Subrecipients	538438	56700	731550	460961	103,328
					<u>103,328</u>
					-
<u>U.S. Department of Education/Texas Higher Education Coordinating Board - Carl Perkins</u>					
<u>Apprenticeship Crosswalk Leadership Grant 2017-2018 (New Grant)</u>					
Federal Grant Revenue	538437	56700	554100	110000	(47,500)
Operating Supplies- Consumable	538437	56700	711410	460961	1,500
Conference - Travel	538437	56700	721200	460961	26,000
Contractual Svsc - Outside Provider	538437	56700	731110	460961	20,000
					<u>20,000</u>
					-
Net Increase (Decrease)					<u>\$ -</u>

Note: Credits to revenues are increases and credits to expenses are decreases.  
Conversely, debits to revenue are decreases and debits to expenses are increases.

New Grant and Additional Funding Summary by Agency:

U.S. Department of Education	<u>\$ 422,848</u>
	<u>\$ 422,848</u>

October 2, 2017 Board Book – Grant Amendments Detail List

U.S. Department of Education TRiO program - Talent Search IV (Incremental Funding - Year 2)

The Talent Search program identifies and assists individuals from disadvantaged backgrounds who have the potential to succeed in higher education. The program provides academic, career, and financial counseling to its participants and encourages them to graduate from high school, and continue on to and complete their postsecondary education. The program publicizes the availability of financial aid and assists participants with the postsecondary application process. Talent Search also encourages persons who have not completed educational programs at the secondary or postsecondary level to enter or re-enter and complete postsecondary education. The goal of the five-year Talent Search program is to increase the number of youths from disadvantaged backgrounds to complete high school and enroll in and complete their postsecondary education. The grant program requires participating institutions to reapply once every five years. This is year two of a five-year cycle.

U.S. Department of Education/Texas Higher Education Coordinating Board - Carl Perkins Open Educational Resources Leadership Grant 2017-2018 (New Grant)

For many students, especially those who face economic challenges, high textbook costs are barriers for college students to be successful in their classes, to complete their certificates or degrees, and, for many, to even have access to higher education. One way colleges are addressing this problem is to adopt and develop Open Educational Resources (OER) to replace the more expensive, copyrighted publisher textbooks. OER course materials are freely accessible, openly licensed digital resources. The goal of this Perkins Leadership Grant is to form a consortium of community and technical colleges across the state to develop and implement an OER technical certificate that will reduce the cost of attending college for many seeking to enroll in career and technical education.

U.S. Department of Education/Texas Higher Education Coordinating Board - Carl Perkins Apprenticeship Crosswalk Leadership Grant 2017-2018 (New Grant)

Community colleges across the state of Texas are collaborating with industry on formal apprenticeship programs. Most of these programs do not offer college credit for the instruction that the apprentices receive. The purpose of this grant is to develop crosswalks in specific college majors that can equate to the student learning objectives that are part of the related instruction required of all apprentices. San Jacinto Community College District (SJCCD) will lead an effort to standardize this process by working with colleges currently receiving apprenticeship grants through the Chapter 133 federal apprenticeship program passed on by the Texas Workforce Commission. SJCCD will invite the partner institutions to a series of workshops that will identify student learning outcomes in one or more of the programs that they are currently sponsoring. The partners will then cross-walk them with specific courses that their college or another college in the state currently offers. Since all of those courses are official Workforce Education Course Manual courses, any college in the state will be able to calculate the appropriate number of credits to which apprentices are entitled.

**Action Item “X”**  
**Regular Board Meeting October 2, 2017**  
**Consideration of Adoption of Ad Valorem Property Tax Rate**

**ADMINISTRATION RECOMMENDATION/REPORT**

The administration recommends that the Board of Trustees approve and adopt a 2017 tax rate of \$0.183335 per \$100 valuation of taxable property located within the San Jacinto Community College District.

**BACKGROUND**

The recommended 2017 tax rate of \$0.183335 per \$100 valuation which is approximately \$0.001 above the prior year rate of \$0.182379. The current proposed rate is same as the calculated effective tax increase which is generally considered a “no tax increase” rate. The difference between the proposed rate and the prior year rate would be related to changes in the elements of the effective tax calculation.

The debt service includes the first issuance of \$150 million of voter approved bond debt in fiscal year 2016. The issuance was the first of the total voter approved bond debt of \$425 million with the remaining \$275 million of bond debt to be issued at future dates. The debt tax rate is calculated using current appraisal values to generate sufficient revenue for the required debt service payments adjusted for anticipated collection rates.

The recommended 2017 tax rate is the same as the calculated effective tax rate of \$0.183335. If the College were to adopt a tax rate above the effective tax rate, the State of Texas Truth-In-Taxation laws require that the College publish newspaper notices of tax increases and hold public hearings related to the proposed rate. However, the effective tax rate can be adopted without the public hearings and additional notices in compliance with State of Texas requirements.

A total tax rate of \$0.183335 is allocated as follows:

- \$0.128828 for the purpose of maintenance and operation of the College, and
- 0.054507 for the purpose of paying debt service requirements on the College’s outstanding general obligation bonds.

For this year, the average taxable value of a residence homestead in the taxing district of San Jacinto Community College District, is \$104,959. If the governing body adopts the proposed tax rate of \$0.183335 per \$100 of taxable value, the amount of taxes imposed this year on the average home would be \$192.43.

**IMPACT OF THIS ACTION**

Establishment of the 2017 property tax rate will satisfy the requirement that a rate be adopted within 60 days of delivery of the certified tax rolls, which are dated August 25, 2017.

**Action Item “X”**  
**Regular Board Meeting October 2, 2017**  
**Consideration of Adoption of Ad Valorem Property Tax Rate**

**BUDGET INFORMATION (INCLUDING ANY STAFFING IMPLICATIONS)**

Certified property tax values for the 2017 tax year were received from the Harris County Appraisal District (HCAD) on August 25, 2017. The certified tax roll values for 2017 are \$52.4 billion which is \$1.8 billion (3.5%) higher than the prior year valuations.

Based on historical trends of value realized from properties under protest and HCAD work in process at the certification date, property tax revenue realized for the 2017-2018 budget will be sufficient to realize the \$66.7 million tax revenue budget for maintenance and operations. The debt service tax rate is calculated at the actual rate needed to generate sufficient revenue to pay the interest and principal requirements on outstanding general obligation debt. The proposed debt service rate of \$0.054507 is higher than last year’s rate of \$0.053185, which is primarily due changes in the voter approved debt service.

**MONITORING AND REPORTING TIMELINE**

Property tax revenues are subject to audit by the College’s external auditors.

**ATTACHMENTS**

Attachment 1 – 2017 Tax Levy Order

**RESOURCE PERSONNEL**

Chet Lewis

281-998-6306

chet.lewis@sjcd.edu



**TAX LEVY ORDER**

**AN ORDER LEVYING A TAX OF \$0.183335 PER ONE HUNDRED DOLLAR VALUATION OF TAXABLE PROPERTY FOR THE YEAR 2017 FOR THE SUPPORT AND MAINTENANCE OF SAN JACINTO COMMUNITY COLLEGE DISTRICT AND TO PAY THE PRINCIPAL AND INTEREST ON OUTSTANDING BONDS OF THE DISTRICT AND PROVIDING FOR STATEMENTS CONCERNING COLLECTION AND EXPENDITURES OF FUNDS BY OFFICIALS.**

\*\*\*\*\*

**IT IS THEREFORE ORDERED** by the Board of Trustees of San Jacinto Community College District that there is hereby levied and there shall be collected for year 2017, for the use and support of San Jacinto Community College District upon all property, real, personal and/or mixed, within the boundary and limits of the San Jacinto Community College District, subject to taxation, a tax of \$0.183335 on each One Hundred Dollars (\$100.00) valuation levied and apportioned for the purpose of the maintenance and support of the San Jacinto Community College District, including current expenses and for the construction and/or equipment and/or maintenance and/or purchase of buildings and grounds for such District, and/or Bonds issued and to be issued for the construction and/or equipment of buildings and/or acquisition of sites therefore, and principal and interest on sinking funds of such Bonds:

- A. The amount of \$0.128828 cents of said \$0.183335 tax levied on each \$100.00 valuation of taxable property in said District is hereby allocated for the purpose of maintenance of the public college in said San Jacinto Community College District.**

**THIS TAX RATE WILL RAISE THE SAME TAXES FOR MAINTENANCE AND OPERATIONS AS LAST YEAR'S TAX RATE.**

- B. The amount of \$0.054507 of the tax of \$0.183335 levied on each \$100.00 valuation of taxable property in said District is hereby allocated for the purpose of paying interest on and principal on the outstanding building bonds of said District.**

**THAT all monies collected under this Order for the purpose therein stated, be, and the same is hereby appropriated and set apart for such purposes, and that the person designated as the Assessor and Collector of taxes for the San Jacinto Community College District and Comptroller and/or Vice Chancellor of Fiscal Affairs of the San Jacinto Community College District shall keep these accounts so as to show the amount collected, the amount expended, and the amount on hand at any time, belonging to such funds, IT IS HEREBY made the duty of the Tax Assessor and Collector to deliver to the Treasurer and/or Secretary of the District, at the time of depositing monies a statement showing such deposits are made and from what source received.**

**PASSED AND APPROVED this the 2nd day of October, 2017.**

**ATTEST: SAN JACINTO COMMUNITY COLLEGE DISTRICT**

**BY \_\_\_\_\_**  
**Secretary, Board of Trustees**

**BY \_\_\_\_\_**  
**Chairman, Board of Trustees**

**Action Item “XI”  
Regular Board Meeting October 2, 2017  
Consideration of Approval of the Annual Review  
of the Investment Policy and Strategy of the College**

**ADMINISTRATION RECOMMENDATION/REPORT**

The administration recommends that the Board of Trustees approve the attached revisions to the Investment Policy and Strategy of the College.

**BACKGROUND**

The Investment Policy of the College requires that the Board of Trustees, at least annually, review and approve the Investment Policy and Strategy of the College as required by Texas Government Code 2256. The changes are recommended to maintain compliance with the Public Funds Investment Act (PFIA) as a result of recent changes approved by the Texas legislature.

**IMPACT OF THIS ACTION**

The revisions to the Investment Policy and Strategy removes the required policy certification of certain financial institutions, adjusts money market mutual funds to be in compliance with SEC Rule 2a-7, and makes other minor language changes to the policy. The exact wording of the revisions can be reviewed in the attached document which is presented in the new policy format. The approval of the Investment Policy and Strategy will meet the requirements of an annual review by the Board of Trustees in Section 2256.005(e) of the Government Code of the State of Texas. The approval of the recommended policy changes will provide guidance to Patterson and Associates, the College’s Investment Advisor, to make investment recommendations to the College based on current financial market conditions within the requirements of the PFIA.

**BUDGET INFORMATION (INCLUDING ANY STAFFING IMPLICATIONS)**

Adoption of the recommended policy changes does not have budget or staffing implications.

**MONITORING AND REPORTING TIMELINE**

The proposed changes were reviewed by the Board’s Finance Committee on September 6, 2017. Because of the technical aspects and legislative requirements that are being addressed by these recommended changes, the Investment Policy and Strategy will not be distributed to the College community for comments. This policy will be reviewed at least annually as required.

**ATTACHMENTS**

- Attachment 1 – Policy III.3001.A: Investment Policy and Strategy (track changes)
- Attachment 2 – Policy III.3001.A: Investment Policy and Strategy

**Action Item “XI”  
Regular Board Meeting October 2, 2017  
Consideration of Approval of the Annual Review  
of the Investment Policy and Strategy of the College**

**RESOURCE PERSONNEL**

Chet Lewis                      281-998-6306                      chet.lewis@sjcd.edu

Policy ~~III.3001.A.V-O~~ \_\_\_\_\_: ~~Policy on~~ Investment Policy and Strategy

**Purpose** ~~GENERAL STATEMENT~~

Formatted: Strikethrough

~~The Board of Trustees of San Jacinto College will review and adopt the College's Investment Policy and investment strategies not less than annually in accordance with the Public Funds Investment Act.~~

**Policy**

It is the policy of the San Jacinto College District (the "College") to invest its public funds in a manner which will provide the highest reasonable investment return with the maximum security while meeting the daily cash flow requirements of the College and conforming to all state and federal statutes governing the investment of public funds. ~~The primary state statute controlling the investment of public funds is the Public Funds Investment Act (Texas Government Code, Chapter 2256, the "Act").~~

Formatted: Strikethrough, Highlight

Formatted: Strikethrough

~~The Board of Trustees of San Jacinto College will review and adopt the College's Investment Policy and investment strategies not less than annually in accordance with the Act.~~

**SCOPE**

Formatted: Strikethrough

~~This Investment Policy applies to all assets and investment activity of the San Jacinto College District including restricted and unrestricted funds.~~ These funds are accounted for in the College's comprehensive annual financial report.

**Authority**

The primary state statute controlling the investment of public funds is the Public Funds Investment Act (Texas Government Code, Chapter 2256, the "Act").

**Applicability**

This Investment Policy applies to all assets and investment activity of the San Jacinto College District including restricted and unrestricted funds.

The Sanctions, Exclusions, and Interpretation do not differ from Policy II.2000.A, Policy and Procedures Development, Review, Revision, and Rescission.

**OBJECTIVES**

The primary objectives, in priority order, of the College's investment activities shall be:

**SAFETY:** Safety of principal is the foremost objective of the investment program. Investments of the College shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. Use of high-credit quality securities in a laddered portfolio structure will assist in minimizing credit risk.

## Attachment 1

**LIQUIDITY:** The College's investment portfolio will remain sufficiently liquid to enable the College to meet all operating requirements which can be reasonably anticipated. Cash flow projections will be used to monitor changing needs.

**DIVERSIFICATION:** It will be the objective of the College to create diversification in all portfolios to minimize credit and market risks. Diversification will be addressed in terms of maturity as well as security type and issuer. It will be the policy of the College to diversify its portfolios to manage market risk resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of investment instruments.

**YIELD:** It will be the objective of the College to earn a reasonable market yield within the restrictions imposed by the Policy's safety and liquidity requirements, investment strategies, and state and federal laws governing investment of public funds. The investment portfolio shall be designed with the objective of meeting and exceeding the yield of comparable benchmark securities chosen to be commensurate with the College's investment risk constraints and the cash flow characteristics. The College will utilize the six-month Treasury Bill and one-year Treasury Note as benchmarks for the portfolios' performance and risk level.

### STRATEGY

The general investment strategy of the College is based on its objectives of (a) safety of principal, (b) liquidity, (c) diversification, and (d) reasonable yield. The strategies created for individual funds are all designed to address:

1. The suitability of the authorized investments to the financial and cash flow requirement of the College.
2. The need for preservation and safety of principal.
3. The need for a measured liquidity to meet the College's cash flow requirements.
4. The marketability of every investment if the need arises to liquidate that investment before maturity.
5. Diversification of the investment portfolio to limit market and credit risks.
6. The recognition of reasonable yield to be used for the needs of the College.

The College maintains two separate portfolios representing the major fund types of the College. Each portfolio is guided by individual investment strategy considerations addressing the unique characteristics of its fund group.

#### A. Operating Funds and Commingled Pools Containing Operating Funds

Investment strategies for operating funds and commingled pools containing operating funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. This objective may be accomplished by purchasing high credit quality, short to medium-term securities, which form a laddered maturity structure and provide for a suitable liquidity buffer for unanticipated expenses. A maximum dollar weighted average maturity (WAM) of 365 days will be maintained in these funds and the WAM will be calculated using the stated final maturity date of each security.

## Attachment 1

These portfolios contain debt service funds with particular needs. Investment strategies for debt service payments shall assure investment liquidity adequate to cover the debt service obligation on the required payment date. The next debt service date must always be funded before funding subsequent payments.

Included also are debt service reserve funds which are used to generate a dependable revenue stream to the appropriate debt service fund from securities with a low degree of volatility. Bond documents and ordinances specific to an individual issue shall be considered in the investments. Securities should be of high credit quality with short to intermediate term maturities. Volatility shall be managed with relatively short and intermediate securities.

### **B. Bond Funds, Construction, Special Projects or Special Purpose Funds**

Investment strategies for construction, special projects or special purpose fund portfolios will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. These portfolios should include at least 10% in highly liquid securities to allow for flexibility and unanticipated project outlays. The College will attempt to match its issue costs of bonds (avoid negative arbitrage) without incurring major rebate payables. The stated final maturity dates of securities held should not exceed the estimated project completion date and the maximum weighted average maturity will be guided by anticipated expenditure plans.

### **STANDARD OF CARE – PRUDENT PERSON STANDARD**

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of capital as well as income to be derived. Investment of funds shall be governed by the following investment objectives, in order of priority: preservation and safety of principal, liquidity, diversification, and yield.

This standard of prudence is to be used by all Investment Officers and shall be applied in the context of managing the overall portfolio. Investment officers acting in accordance with written procedures and this Investment Policy and exercising due diligence shall be relieved of personal liability for an individual security's credit or market price fluctuations provided that deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

### **INVESTMENT TRAINING**

It will be the College's policy to provide training for Board members and Investment Officers as required by the Act. The Texas Higher Education Coordinating Board will provide training for Board members to be conducted within six months of assuming office.

The designated Investment Officer(s) shall attend ten hours of investment training within twelve months of assuming their duties and ten hours every subsequent two fiscal years. The investment training shall be provided by an independent source approved by the Board. For purposes of this Policy, an "independent source" from which investment training shall be obtained shall include a professional organization, an institute of higher learning or any other sponsor other than a business organization with whom the Board of Trustees engage in an investment purchase or sale.

## **DELEGATION OF AUTHORITY AND RESPONSIBILITIES**

In accordance with the Act, the Board of Trustees delegates, by resolution, management responsibility for the investment program through the Chancellor to the Vice Chancellor of Fiscal Affairs as the Investment Officer. In the absence of the Vice Chancellor of Fiscal Affairs, with the approval and direction of the Chancellor, the Director of Accounting and Financial Services will perform daily investment transactions.

### **Board of Trustees**

The Board is responsible for reviewing and adopting the Investment Policy on no less than an annual basis. The Board is responsible for designating Investment Officer(s) or an Investment Adviser responsible for the management of the portfolio(s). The Board may designate an investment committee to review reports and approve counterparties but the Board must receive and review quarterly investment reports. The Board retains ultimate fiduciary responsibility for all funds.

### **Investment Committee**

The Board Budget and Audit Committee will act as the College's Investment Committee. The Investment Committee shall meet at least quarterly to receive and review quarterly investment reports and monitor investment results. The Investment Committee shall include in its deliberation such topics as: economic outlook, portfolio diversification, maturity structure, risk levels, and performance. The Investment Committee will, on no less than an annual basis, review and adopt the list of authorized broker/dealers for the Board.

### **Investment Officer(s)**

The Investment Officer(s) shall monitor and maintain all controls and procedures of the investment process as designated by this Policy. The Officer(s) shall obtain training and shall establish written procedures and controls consistent with this Investment Policy. Such procedures shall include delegation of authority to individual employees responsible for investment transactions and documentation of investment transactions and holdings. The Investment Officer(s) shall prepare all required reports and maintain broker/dealer files as required. All Investment Officers will strictly adhere to the standard of care and conditions prescribed in this Policy.

All participants in the investment process shall seek to act responsibly as custodians of the public trust. Investment Officers will avoid any transaction that might impair public confidence in the College. The investment program shall be designed and managed with a degree of professionalism which is worthy of that public trust.

All Investment Officers shall be familiar with this Policy and its underlying procedures. No Investment Officer may engage in an investment transaction except as provided under the terms of this Policy and the established procedures.

The Board may designate an SEC registered investment adviser to act as an Investment Officer for the College in assisting College staff with all provisions of this Policy.

## **ETHICS AND CONFLICTS OF INTEREST**



## Attachment 1

College Investment Officers involved in the investment process who have personal business relationships with any entity seeking to sell an investment to the College shall file a statement disclosing the extent of that personal business interest. An Investment Officer who is related within the second degree by affinity or consanguinity (as determined by State statute) to an individual seeking to sell an investment to the College shall file a statement disclosing that relationship with the Texas Ethics Commission in accordance with the Act.

### **AUTHORIZED INVESTMENTS**

This Policy applies to all investment activity of the College. The College will pursue a proactive, conservative approach to investment activity and although other investments may be authorized by law, the College may invest only in investments authorized by the Board as listed below:

1. Obligations of the US Government (Treasury Bills and Treasury Notes), its agencies and instrumentalities not to exceed three years to stated maturity. Mortgage backed securities, with stated maturities less than ten years, are authorized only in bond construction funds.
2. Fully insured or collateralized certificates of deposit of any bank doing business in Texas which is collateralized in accordance with this Policy and with a stated final maturity not to exceed one year to include those bought through the CDARS network.
3. Negotiable certificates of deposit securities issued by a bank that has a certificate of deposit rating of at least 1 or equivalent by a nationally recognized credit rating agency or that is associated with a holding company having a commercial paper rating of at least A1/P1 or equivalent by a nationally recognized rating agency.
4. Commercial paper rated no less than A1/P1 by two nationally recognized rating agencies with a stated maturity less than 90 days.
5. Fully collateralized direct repurchase agreements with a defined termination date, secured in accordance with this Policy and placed with a primary securities dealer. All repurchase agreement transactions shall be governed by an executed Bond Market Association Master Repurchase Agreement. Maximum stated maturity shall be 90 days except for flex repurchase agreements. Bond proceeds from one issue may be invested in a single flex repurchase agreement the maximum stated maturity for which shall be matched to the expenditure plan of the bonds.
6. Obligations of states, agencies, counties, cities and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent, with a stated maturity of not more than three years.
7. AAA or equivalent rated, constant-dollar, Texas local government investment pools as defined by the Act and authorized specifically by the Board of Trustees for a particular pool.
8. A money market mutual fund [in compliance with SEC Rule 2a-7 and](#) striving to maintain a \$1 net asset value.
9. Corporate bonds, debentures or similar debt obligations rated in one of the two highest long-term rating categories without regard to gradations in those categories by a two nationally recognized rating agencies not to exceed three years to maturity.
10. FDIC insured brokered certificate of deposit securities from a bank in any US state, delivered versus payment to the College's safekeeping depository, not to exceed one year to

Attachment 1

maturity. Before purchase, the investment officer or adviser must verify the FDIC status of the bank on [www.fdic.gov](http://www.fdic.gov) to assure that the bank is FDIC insured.

- 11. Fully insured or collateralized interest bearing accounts in any bank in Texas.

If additional types of securities are approved for investment by public funds by state statute, they will not be eligible for investment by the College until this Policy has been amended and the amended version adopted by the Board of Trustees.

**PROHIBITED INVESTMENTS**

The College is strictly prohibited from investing in any type of mortgage derivatives:

- 1. Interest Only Mortgage Backed Securities (IO). Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal.
- 2. Principal Only Mortgage Backed Securities (PO). Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest.
- 3. Collateralized mortgage obligations (CMO) that have a stated final maturity date greater than ten years.
- 4. Inverse Floaters. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

**DIVERSIFICATION**

Diversification will be used to minimize risk of loss by over-concentration in a particular market sector, maturity or security. The College will strive to structure portfolios with laddered maturities and securities in accordance with the Policy’s authorized investments and maximum maturity constraints. To assure diversification in the portfolio the following maximum limits will be imposed:

<u>Investment Type</u>	<u>Max. % in Portfolio</u>
US Treasury Obligations	90 %
US Agency and Instrumentality Obligations	85 %
SEC Registered Money Market Funds	60 %
Repurchase Agreements	75 %
Flex Repurchase (Bond Funds)	100 % of issue
Collateralized/Insured CDs	20 %
FDIC insured brokered CDs	20 %
Negotiable CDs	15 %
Limit per bank	5 %
Local Government Investment Pools	100 %
Participation per pool	10 % of pool
Commercial Paper	25 %
Limit per issuer	5 %

Attachment 1

Municipal Obligations	50 %
Limit per issuer	10 %
Limit per geographical region	50 %
Corporate Obligations	30 %
Limit per issuer	5 %

**MAXIMUM MATURITIES**

The College will diversify maturity dates and to the extent possible, match investments with anticipated cash flow requirements. No investment stated maturities will exceed three years at the time of purchase.

**AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS**

All investments transactions shall be made with a broker/dealer authorized by the Board or its Investment Committee. The authorized list is to be reviewed [and adopted](#) at least annually. Banks utilized for time or demand accounts need not be approved by the Board or Committee but must provide all required information to the Investment Officers prior to the transaction. The list shall contain no less than five broker/dealers to assure a competitive process. There is no limit to the number of banks.

Authorized broker/dealers and financial institutions may include:

- Broker/dealer subsidiaries of banks doing business in the State of Texas,
- Security dealers reporting designated as “primary government securities dealers” by the Federal Reserve Bank of New York,
- Secondary institutional brokers/dealers registered with the State, the SEC, and the FINRA.

Financial institutions and broker/dealers who desire to transact business with the College must supply the following information/documents. The Investment Officer, or the College’s investment adviser, will maintain this information on the authorized financial institutions.

- Annual current year audited financial statements
- Financial Industry Regulatory Authority (FINRA) certification and FINRA’s Central Depository Registration (CRD) number [\(if broker/dealers\)](#).
- Proof of current Texas State Securities registration [\(if broker/dealers\)](#).

No investment transactions may be entered into with a brokerage subsidiary of the Authority’s depository bank in order to fulfill all delivery versus payment (DVP) requirements for trade independence.

**Policy Certification**

Each authorized ~~financial institution, local government investment pool, and broker/dealer~~ must be provided a copy of this Policy to assure that they are familiar with the goals and objectives of

## Attachment 1

the College. The authorized representative of the firm/pool shall sign a written certification, in a form acceptable to the College, substantially to the effect that the firm/pool has:

- Received, and thoroughly reviewed the Policy, and
- Acknowledges that the firm has implemented reasonable controls and procedures in an effort to preclude investment transactions with the College that are not authorized by the College's Policy.

### The College's Investment Adviser shall certify to the Policy.

No investment transaction shall be executed with a firm/pool which has not delivered this written certification. Material changes in this Policy will require re-certification ~~by all broker/dealers~~. The College is under no obligation to transact business with any financial institution.

## **COLLEGE DEPOSITORY**

At least every five years a College Depository shall be selected through a formal request for proposal (RFP). In selecting a depository, the services, cost of services, credit worthiness, and collateralization by the institutions shall be considered.

## **INTERNAL CONTROL**

An annual independent review will be conducted to assure internal controls are in place which provide for compliance with the College's Investment Policies and procedures and the Act.

## **Loss of Rating**

The Investment Officer or investment adviser shall monitor, on no less than a weekly basis, the credit rating on all authorized investments in the portfolio based upon independent information from a nationally recognized rating agency. If any security falls below the minimum rating required by Policy, the Investment Officer or adviser shall notify the Investment Committee of the loss of rating, conditions affecting the rating and possible loss of principal with liquidation options available, within two weeks after the loss of the required rating.

## **Monitoring FDIC Status**

The Investment Officer or Investment Adviser shall monitor, on no less than a weekly basis, the status and ownership of all banks issuing brokered CDs owned by the College based upon information from the FDIC. If any bank has been acquired or merged with another bank in which brokered CDs are owned, the Investment Officer or Adviser shall immediately liquidate any brokered CD which places the College above the FDIC insurance level.

## **COLLATERALIZATION**

All College time and demand deposits shall be secured above FDIC coverage by pledged collateral. In order to anticipate market changes and provide a level of security for all funds, collateral will be maintained and monitored by the depository at 102% of market value of principal and accrued interest on the deposits. The bank shall be responsible for monitoring and maintaining the collateral market value daily to assure that the margin on the pledged securities is maintained.

## Attachment 1

Collateral pledged to secure deposits shall be held by an independent financial institution outside the holding company of the depository in accordance with a safekeeping agreement signed by authorized representatives of the College, the Depository, and the custodian (with the exception of the Federal Reserve for which a Circular 7 Pledge Agreement will be executed.).

All collateral shall be subject to inspection and audit by the College or its independent auditors.

### **Authorized Collateral**

The College shall accept only the following as collateral for time and demand deposits:

- A. FDIC insurance coverage.
- B. Obligations of the United States, its agencies or instrumentalities, or other evidence of indebtedness of the United States guaranteed as to principal and interest including mortgage backed securities which pass the bank test.
- C. Obligations of states, agencies, counties, cities and other political subdivisions of any state rated A or its equivalent by two nationally recognized rating agencies.

### **Voluntary Collateral Pooling Alternative**

Collateral pooling alternatives authorized by state statute (TX Gov't Code 2257) will be evaluated on a case-by-case basis for use.

If any depository offers a voluntary collateral pooling alternative for the provision of collateral (instead of uniquely pledged securities to the College), the investment officers shall fully evaluate the risk factors concerned to determine the efficacy of participation. The use of collateral pooling will be analyzed using factors such as anticipated balances, fluctuations in balances, duration of deposits and current economic conditions to determine the acceptability of the collateral pool. The pool must contain only marketable securities.

### **SAFEKEEPING**

All securities owned by the College shall be held in safekeeping by the College's depository bank or an authorized third party financial institution under an executed safekeeping agreement.

### **DELIVERY VERSUS PAYMENT**

All security transactions, including collateral for repurchase agreements, entered into by the College shall be conducted on a delivery-versus-payment (DVP) basis to assure that the College has full control of its funds and assets at all times.

### **REPORTING**

The Investment Officer shall submit monthly and quarterly reports to the Board of Trustees in accordance with the Act containing sufficient information to permit an informed reader to evaluate the performance and risks of the investment program. At a minimum the report shall include:

- a. Description of each investment and depository position.
- b. Book and market values at the beginning and end of the reporting period
- c. Additions and changes to the market value during the period

Attachment 1

- d. The book and market value of each separately invested asset
- e. The maturity date of each separately invested asset
- f. The account, fund, or pooled group fund for which each investment was acquired.
- g. The earnings for the period
- h. The overall yield for the portfolio(s) and its benchmark yield for the period

Market prices for market value calculations shall be obtained from an independent source. The report must conform to the contents of the Act and must be prepared and signed by all investment officers of the College.

**INTERNAL CONTROLS**

The Vice Chancellor of Fiscal Affairs shall establish a system of controls to regulate the activities of the investment program and staff. The controls will be reviewed annually with the independent auditor of the College. The controls shall be designed to prevent loss of funds due to fraud, employee error, misrepresentation by third parties, unanticipated market changes, or imprudent actions. Controls deemed most important would include: control of collusion, separation of duties, custody and safekeeping, delegation of authority, securities losses and remedial actions, and documentation of all transactions.

**Cash Flow Forecasting**

Cash flow forecasting is a control designed to protect and sustain cash flow requirements of the College. The Investment Officer will maintain a cash flow analysis designed to forecast cash positions for investment purposes.

**INVESTMENT POLICY ADOPTION**

The Investment Committee may suggest Policy changes to the Board of Trustees at any time. The Board of Trustees shall review and adopt, by resolution, its Investment Policy and investment strategies not less than annually and the approving resolution shall designate any changes made to the Policy.

Procedures

There are no associated procedures with this policy.

<u>Date of Board Approval</u>	Anticipated October 2, 2017
<u>Effective Date</u>	Anticipated October 3, 2017
<u>Primary Owner</u>	Vice Chancellor, Fiscal Affairs
<u>Secondary Owner</u>	Director of Accounting and Financial Services

Attachment 1

<b>Policy #:</b>	<del>V-Q</del>
<b>Policy Name:</b>	<del>Policy on Investment Policy and Strategy</del>
<b>Pages:</b>	<del>9</del>
<b>Adopted Date:</b>	<del>August 3, 2009</del>
<b>Revision/Reviewed Date:</b>	<del>July 7, 2014; July 21, 2015; August 15, 2016</del>
<b>Effective Date:</b>	<del>August 3, 2009, July 7, 2014, July 21, 2015 and August 15, 2016</del>
<b>Associated Guideline:</b>	<del>-</del>

Formatted Table

## Policy III.3001.A, Investment Policy and Strategy

### Purpose

The Board of Trustees of San Jacinto College will review and adopt the College's Investment Policy and investment strategies not less than annually in accordance with the Public Funds Investment Act.

### Policy

It is the policy of the San Jacinto College District (the "College") to invest its public funds in a manner which will provide the highest reasonable investment return with the maximum security while meeting the daily cash flow requirements of the College and conforming to all state and federal statutes governing the investment of public funds. These funds are accounted for in the College's comprehensive annual financial report.

### Authority

The primary state statute controlling the investment of public funds is the Public Funds Investment Act (Texas Government Code, Chapter 2256, the "Act".)

### Applicability

This Investment Policy applies to all assets and investment activity of the San Jacinto College District including restricted and unrestricted funds.

The Sanctions, Exclusions, and Interpretation do not differ from Policy II.2000.A, Policy and Procedures Development, Review, Revision, and Rescission.

## OBJECTIVES

The primary objectives, in priority order, of the College's investment activities shall be:

**SAFETY:** Safety of principal is the foremost objective of the investment program. Investments of the College shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. Use of high-credit quality securities in a laddered portfolio structure will assist in minimizing credit risk.

**LIQUIDITY:** The College's investment portfolio will remain sufficiently liquid to enable the College to meet all operating requirements which can be reasonably anticipated. Cash flow projections will be used to monitor changing needs.

**DIVERSIFICATION:** It will be the objective of the College to create diversification in all portfolios to minimize credit and market risks. Diversification will be addressed in terms of maturity as well as security type and issuer. It will be the policy of the College to diversify its portfolios to manage market risk resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of investment instruments.

**YIELD:** It will be the objective of the College to earn a reasonable market yield within the restrictions imposed by the Policy's safety and liquidity requirements, investment



strategies, and state and federal laws governing investment of public funds. The investment portfolio shall be designed with the objective of meeting and exceeding the yield of comparable benchmark securities chosen to be commensurate with the College's investment risk constraints and the cash flow characteristics. The College will utilize the six-month Treasury Bill and one-year Treasury Note as benchmarks for the portfolios' performance and risk level.

## **STRATEGY**

The general investment strategy of the College is based on its objectives of (a) safety of principal, (b) liquidity, (c) diversification, and (d) reasonable yield. The strategies created for individual funds are all designed to address:

1. The suitability of the authorized investments to the financial and cash flow requirement of the College.
2. The need for preservation and safety of principal.
3. The need for a measured liquidity to meet the College's cash flow requirements.
4. The marketability of every investment if the need arises to liquidate that investment before maturity.
5. Diversification of the investment portfolio to limit market and credit risks.
6. The recognition of reasonable yield to be used for the needs of the College.

The College maintains two separate portfolios representing the major fund types of the College. Each portfolio is guided by individual investment strategy considerations addressing the unique characteristics of its fund group.

### **A. Operating Funds and Commingled Pools Containing Operating Funds**

Investment strategies for operating funds and commingled pools containing operating funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. This objective may be accomplished by purchasing high credit quality, short to medium-term securities, which form a laddered maturity structure and provide for a suitable liquidity buffer for unanticipated expenses. A maximum dollar weighted average maturity (WAM) of 365 days will be maintained in these funds and the WAM will be calculated using the stated final maturity date of each security.

These portfolios contain debt service funds with particular needs. Investment strategies for debt service payments shall assure investment liquidity adequate to cover the debt service obligation on the required payment date. The next debt service date must always be funded before funding subsequent payments.

Included also are debt service reserve funds which are used to generate a dependable revenue stream to the appropriate debt service fund from securities with a low degree of volatility. Bond documents and ordinances specific to an individual issue shall be considered in the investments. Securities should be of high credit quality with short to intermediate term maturities. Volatility shall be managed with relatively short and intermediate securities.

### **B. Bond Funds, Construction, Special Projects or Special Purpose Funds**

Investment strategies for construction, special projects or special purpose fund portfolios will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. These portfolios should include at least 10% in highly liquid securities to allow for flexibility and unanticipated project outlays. The College will attempt to match its issue costs of bonds (avoid negative arbitrage) without incurring major rebate payables. The stated final maturity dates of securities held should not exceed the estimated project completion date and the maximum weighted average maturity will be guided by anticipated expenditure plans.

### **STANDARD OF CARE – PRUDENT PERSON STANDARD**

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of capital as well as income to be derived. Investment of funds shall be governed by the following investment objectives, in order of priority: preservation and safety of principal, liquidity, diversification, and yield.

This standard of prudence is to be used by all Investment Officers and shall be applied in the context of managing the overall portfolio. Investment officers acting in accordance with written procedures and this Investment Policy and exercising due diligence shall be relieved of personal liability for an individual security's credit or market price fluctuations provided that deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

### **INVESTMENT TRAINING**

It will be the College's policy to provide training for Board members and Investment Officers as required by the Act. The Texas Higher Education Coordinating Board will provide training for Board members to be conducted within six months of assuming office.

The designated Investment Officer(s) shall attend ten hours of investment training within twelve months of assuming their duties and ten hours every subsequent two fiscal years. The investment training shall be provided by an independent source approved by the Board. For purposes of this Policy, an "independent source" from which investment training shall be obtained shall include a professional organization, an institute of higher learning or any other sponsor other than a business organization with whom the Board of Trustees engage in an investment purchase or sale.

### **DELEGATION OF AUTHORITY AND RESPONSIBILITIES**

In accordance with the Act, the Board of Trustees delegates, by resolution, management responsibility for the investment program through the Chancellor to the Vice Chancellor of Fiscal Affairs as the Investment Officer. In the absence of the Vice Chancellor of Fiscal Affairs, with the approval and direction of the Chancellor, the Director of Accounting and Financial Services will perform daily investment transactions.

### **Board of Trustees**

The Board is responsible for reviewing and adopting the Investment Policy on no less than an annual basis. The Board is responsible for designating Investment Officer(s) or an Investment

Adviser responsible for the management of the portfolio(s). The Board may designate an investment committee to review reports and approve counterparties but the Board must receive and review quarterly investment reports. The Board retains ultimate fiduciary responsibility for all funds.

### **Investment Committee**

The Board Budget and Audit Committee will act as the College's Investment Committee. The Investment Committee shall meet at least quarterly to receive and review quarterly investment reports and monitor investment results. The Investment Committee shall include in its deliberation such topics as: economic outlook, portfolio diversification, maturity structure, risk levels, and performance. The Investment Committee will, on no less than an annual basis, review and adopt the list of authorized broker/dealers for the Board.

### **Investment Officer(s)**

The Investment Officer(s) shall monitor and maintain all controls and procedures of the investment process as designated by this Policy. The Officer(s) shall obtain training and shall establish written procedures and controls consistent with this Investment Policy. Such procedures shall include delegation of authority to individual employees responsible for investment transactions and documentation of investment transactions and holdings. The Investment Officer(s) shall prepare all required reports and maintain broker/dealer files as required. All Investment Officers will strictly adhere to the standard of care and conditions prescribed in this Policy.

All participants in the investment process shall seek to act responsibly as custodians of the public trust. Investment Officers will avoid any transaction that might impair public confidence in the College. The investment program shall be designed and managed with a degree of professionalism which is worthy of that public trust.

All Investment Officers shall be familiar with this Policy and its underlying procedures. No Investment Officer may engage in an investment transaction except as provided under the terms of this Policy and the established procedures.

The Board may designate an SEC registered investment adviser to act as an Investment Officer for the College in assisting College staff with all provisions of this Policy.

### **ETHICS AND CONFLICTS OF INTEREST**

College Investment Officers involved in the investment process who have personal business relationships with any entity seeking to sell an investment to the College shall file a statement disclosing the extent of that personal business interest. An Investment Officer who is related within the second degree by affinity or consanguinity (as determined by State statute) to an individual seeking to sell an investment to the College shall file a statement disclosing that relationship with the Texas Ethics Commission in accordance with the Act.

### **AUTHORIZED INVESTMENTS**

This Policy applies to all investment activity of the College. The College will pursue a proactive, conservative approach to investment activity and although other investments may be

## Attachment 2

authorized by law, the College may invest only in investments authorized by the Board as listed below:

1. Obligations of the US Government (Treasury Bills and Treasury Notes), its agencies and instrumentalities not to exceed three years to stated maturity. Mortgage backed securities, with stated maturities less than ten years, are authorized only in bond construction funds.
2. Fully insured or collateralized certificates of deposit of any bank doing business in Texas which is collateralized in accordance with this Policy and with a stated final maturity not to exceed one year to include those bought through the CDARS network.
3. Negotiable certificates of deposit securities issued by a bank that has a certificate of deposit rating of at least 1 or equivalent by a nationally recognized credit rating agency or that is associated with a holding company having a commercial paper rating of at least A1/P1 or equivalent by a nationally recognized rating agency.
4. Commercial paper rated no less than A1/P1 by two nationally recognized rating agencies with a stated maturity less than 90 days.
5. Fully collateralized direct repurchase agreements with a defined termination date, secured in accordance with this Policy and placed with a primary securities dealer. All repurchase agreement transactions shall be governed by an executed Bond Market Association Master Repurchase Agreement. Maximum stated maturity shall be 90 days except for flex repurchase agreements. Bond proceeds from one issue may be invested in a single flex repurchase agreement the maximum stated maturity for which shall be matched to the expenditure plan of the bonds.
6. Obligations of states, agencies, counties, cities and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent, with a stated maturity of not more than three years.
7. AAA or equivalent rated, constant-dollar, Texas local government investment pools as defined by the Act and authorized specifically by the Board of Trustees for a particular pool.
8. A money market mutual fund in compliance with SEC Rule 2a-7 and striving to maintain a \$1 net asset value.
9. Corporate bonds, debentures or similar debt obligations rated in one of the two highest long-term rating categories without regard to gradations in those categories by a two nationally recognized rating agencies not to exceed three years to maturity.
10. FDIC insured brokered certificate of deposit securities from a bank in any US state, delivered versus payment to the College's safekeeping depository, not to exceed one year to maturity. Before purchase, the investment officer or adviser must verify the FDIC status of the bank on [www.fdic.gov](http://www.fdic.gov) to assure that the bank is FDIC insured.
11. Fully insured or collateralized interest bearing accounts in any bank in Texas.

If additional types of securities are approved for investment by public funds by state statute, they will not be eligible for investment by the College until this Policy has been amended and the amended version adopted by the Board of Trustees.

### **PROHIBITED INVESTMENTS**

The College is strictly prohibited from investing in any type of mortgage derivatives:

1. Interest Only Mortgage Backed Securities (IO). Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal.
2. Principal Only Mortgage Backed Securities (PO). Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest.
3. Collateralized mortgage obligations (CMO) that have a stated final maturity date greater than ten years.
4. Inverse Floaters. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

### **DIVERSIFICATION**

Diversification will be used to minimize risk of loss by over-concentration in a particular market sector, maturity or security. The College will strive to structure portfolios with laddered maturities and securities in accordance with the Policy's authorized investments and maximum maturity constraints. To assure diversification in the portfolio the following maximum limits will be imposed:

<b><u>Investment Type</u></b>	<b><u>Max. % in Portfolio</u></b>
US Treasury Obligations	90 %
US Agency and Instrumentality Obligations	85 %
SEC Registered Money Market Funds	60 %
Repurchase Agreements	75 %
Flex Repurchase (Bond Funds)	100 % of issue
Collateralized/Insured CDs	20 %
FDIC insured brokered CDs	20 %
Negotiable CDs	15 %
Limit per bank	5 %
Local Government Investment Pools	100 %
Participation per pool	10 % of pool
Commercial Paper	25 %
Limit per issuer	5 %
Municipal Obligations	50 %
Limit per issuer	10 %
Limit per geographical region	50 %
Corporate Obligations	30 %
Limit per issuer	5 %

### **MAXIMUM MATURITIES**

The College will diversify maturity dates and to the extent possible, match investments with anticipated cash flow requirements. No investment stated maturities will exceed three years at the time of purchase.

### **AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS**

All investments transactions shall be made with a broker/dealer authorized by the Board or its Investment Committee. The authorized list is to be reviewed and adopted at least annually. Banks utilized for time or demand accounts need not be approved by the Board or Committee but must provide all required information to the Investment Officers prior to the transaction. The list shall contain no less than five broker/dealers to assure a competitive process. There is no limit to the number of banks.

Authorized broker/dealers and financial institutions may include:

- Broker/dealer subsidiaries of banks doing business in the State of Texas,
- Security dealers reporting designated as “primary government securities dealers” by the Federal Reserve Bank of New York,
- Secondary institutional brokers/dealers registered with the State, the SEC, and the FINRA.

Financial institutions and broker/dealers who desire to transact business with the College must supply the following information/documents. The Investment Officer, or the College’s investment adviser, will maintain this information on the authorized financial institutions.

- Annual current year audited financial statements
- Financial Industry Regulatory Authority (FINRA) certification and FINRA’s Central Depository Registration (CRD) number (if broker/dealers).
- Proof of current Texas State Securities registration (if broker/dealers).

No investment transactions may be entered into with a brokerage subsidiary of the Authority’s depository bank in order to fulfill all delivery versus payment (DVP) requirements for trade independence.

### **Policy Certification**

Each authorized local government investment pool must be provided a copy of this Policy to assure that they are familiar with the goals and objectives of the College. The authorized representative of the pool shall sign a written certification, in a form acceptable to the College, substantially to the effect that the pool has:

- Received, and thoroughly reviewed the Policy, and
- Acknowledges that the firm has implemented reasonable controls and procedures in an effort to preclude investment transactions with the College that are not authorized by the College’s Policy.

The College’s Investment Adviser shall certify to the Policy.

No investment transaction shall be executed with a pool which has not delivered this written certification. Material changes in this Policy will require re-certification. The College is under no obligation to transact business with any financial institution.

### **COLLEGE DEPOSITORY**

At least every five years a College Depository shall be selected through a formal request for proposal (RFP). In selecting a depository, the services, cost of services, credit worthiness, and collateralization by the institutions shall be considered.

### **INTERNAL CONTROL**

An annual independent review will be conducted to assure internal controls are in place which provide for compliance with the College's Investment Policies and procedures and the Act.

### **Loss of Rating**

The Investment Officer or investment adviser shall monitor, on no less than a weekly basis, the credit rating on all authorized investments in the portfolio based upon independent information from a nationally recognized rating agency. If any security falls below the minimum rating required by Policy, the Investment Officer or adviser shall notify the Investment Committee of the loss of rating, conditions affecting the rating and possible loss of principal with liquidation options available, within two weeks after the loss of the required rating.

### **Monitoring FDIC Status**

The Investment Officer or Investment Adviser shall monitor, on no less than a weekly basis, the status and ownership of all banks issuing brokered CDs owned by the College based upon information from the FDIC. If any bank has been acquired or merged with another bank in which brokered CDs are owned, the Investment Officer or Adviser shall immediately liquidate any brokered CD which places the College above the FDIC insurance level.

### **COLLATERALIZATION**

All College time and demand deposits shall be secured above FDIC coverage by pledged collateral. In order to anticipate market changes and provide a level of security for all funds, collateral will be maintained and monitored by the depository at 102% of market value of principal and accrued interest on the deposits. The bank shall be responsible for monitoring and maintaining the collateral market value daily to assure that the margin on the pledged securities is maintained.

Collateral pledged to secure deposits shall be held by an independent financial institution outside the holding company of the depository in accordance with a safekeeping agreement signed by authorized representatives of the College, the Depository, and the custodian (with the exception of the Federal Reserve for which a Circular 7 Pledge Agreement will be executed.).

All collateral shall be subject to inspection and audit by the College or its independent auditors.

### **Authorized Collateral**

The College shall accept only the following as collateral for time and demand deposits:

- A. FDIC insurance coverage.
- B. Obligations of the United States, its agencies or instrumentalities, or other evidence of indebtedness of the United States guaranteed as to principal and interest including mortgage backed securities which pass the bank test.
- C. Obligations of states, agencies, counties, cities and other political subdivisions of any state rated A or its equivalent by two nationally recognized rating agencies.

### **Voluntary Collateral Pooling Alternative**

Collateral pooling alternatives authorized by state statute (TX Gov't Code 2257) will be evaluated on a case-by-case basis for use.

If any depository offers a voluntary collateral pooling alternative for the provision of collateral (instead of uniquely pledged securities to the College), the investment officers shall fully evaluate the risk factors concerned to determine the efficacy of participation. The use of collateral pooling will be analyzed using factors such as anticipated balances, fluctuations in balances, duration of deposits and current economic conditions to determine the acceptability of the collateral pool. The pool must contain only marketable securities.

### **SAFEKEEPING**

All securities owned by the College shall be held in safekeeping by the College's depository bank or an authorized third party financial institution under an executed safekeeping agreement.

### **DELIVERY VERSUS PAYMENT**

All security transactions, including collateral for repurchase agreements, entered into by the College shall be conducted on a delivery-versus-payment (DVP) basis to assure that the College has full control of its funds and assets at all times.

### **REPORTING**

The Investment Officer shall submit monthly and quarterly reports to the Board of Trustees in accordance with the Act containing sufficient information to permit an informed reader to evaluate the performance and risks of the investment program. At a minimum the report shall include:

- a. Description of each investment and depository position.
- b. Book and market values at the beginning and end of the reporting period
- c. Additions and changes to the market value during the period
- d. The book and market value of each separately invested asset
- e. The maturity date of each separately invested asset
- f. The account, fund, or pooled group fund for which each investment was acquired.
- g. The earnings for the period
- h. The overall yield for the portfolio(s) and its benchmark yield for the period

Market prices for market value calculations shall be obtained from an independent source. The report must conform to the contents of the Act and must be prepared and signed by all investment officers of the College.



## **INTERNAL CONTROLS**

The Vice Chancellor of Fiscal Affairs shall establish a system of controls to regulate the activities of the investment program and staff. The controls will be reviewed annually with the independent auditor of the College. The controls shall be designed to prevent loss of funds due to fraud, employee error, misrepresentation by third parties, unanticipated market changes, or imprudent actions. Controls deemed most important would include: control of collusion, separation of duties, custody and safekeeping, delegation of authority, securities losses and remedial actions, and documentation of all transactions.

### **Cash Flow Forecasting**

Cash flow forecasting is a control designed to protect and sustain cash flow requirements of the College. The Investment Officer will maintain a cash flow analysis designed to forecast cash positions for investment purposes.

## **INVESTMENT POLICY ADOPTION**

The Investment Committee may suggest Policy changes to the Board of Trustees at any time. The Board of Trustees shall review and adopt, by resolution, its Investment Policy and investment strategies not less than annually and the approving resolution shall designate any changes made to the Policy.

### **Procedures**

There are no associated procedures with this policy.

Date of Board Approval	Anticipated October 2, 2017
Effective Date	Anticipated October 3, 2017
Primary Owner	Vice Chancellor, Fiscal Affairs
Secondary Owner	Director of Accounting and Financial Services

**Action Item "XII"**  
**Regular Board Meeting October 2, 2017**  
**Consideration of Approval of Addendum to**  
**Chancellor's Employment Contract with San Jacinto College District**

**NOTE: This is a draft action item and will be completed based on the closed session meeting.**

**ADMINISTRATION RECOMMENDATION/REPORT**

The Board of Trustees recommends the approval of changes in the terms of the Chancellor's contract as discussed in closed session at a Special Board Workshop Meeting on October 2, 2017. Such changes will be compensation and term of contract. Furthermore, the Board authorizes the College's attorney to incorporate the changes into an addendum to the Employment Contract dated October 1, 2010, and authorizes the Board's Chairman to sign the new agreement on behalf of the Board.

**BACKGROUND**

The Chancellor's current employment contract took effect on October 1, 2010 and has been amended annually to continue through August 31, 2020. The contract defines the Chancellor's requirement for employment, compensation, salary and annual performance evaluation process and miscellaneous other conditions.

**IMPACT OF THIS ACTION**

The proposed addendum to the Chancellor's employment contract will take effect on September 1, 2017, and will continue through August 31, 2020. The addendum also defines the compensation and automobile allowance for fiscal year 2017 - 2018.

Approval of this action will modify the Chancellor's employment contract effective September 1, 2017.

**BUDGET INFORMATION**

The funding is provided in the 2017-2018 budget.

**MONITORING AND REPORTING TIMELINE**

The Chancellor is required to prepare annual performance objectives for approval by the Board of Trustees. Additionally, the Board of Trustees evaluates and assesses the performance of the Chancellor annually.

**ATTACHMENTS**

None

**RESOURCE PERSONNEL**

Stephen Trncak

281-998-6348

Stephen.Trncak@sjcd.edu

**Action Item “XIII”  
Regular Board Meeting October 2, 2017  
Consideration of Approval of Policy (##): Substantive  
Change – First Reading (Information Only)**

**ADMINISTRATION RECOMMENDATION/REPORT**

The administration recommends that the Board of Trustees approve a revision and update to the College’s Policy on Substantive Change, formerly designated as Policy VI-GG: Substantive Change. The Board of Trustees will not vote on this item but is creating awareness that the policy is being considered and input is being gathered. New numbering will be added prior to the second reading.

**BACKGROUND**

Policy VI-GG was approved by the Board of Trustees on July 15, 2013, with policy revisions approved by the Board on March 3, 2014. This policy reflects the substantive change requirements of the Southern Association of College and Schools Commission on Colleges (SACSCOC). The supporting procedures were received as an informational item by the Board on March 3, 2014.

The revisions to the policy are recommended establish the new policy format and to reflect the strengthened College practices for monitoring and reporting substantive changes as required by SACSCOC. The policy reflects that the Board will be notified of substantive changes.

Two associated procedures on monitoring and reporting have been developed to support implementation of the policy. These procedures are attached for informational purposes. The prior procedure (3-24) will be updated with these new procedures.

**IMPACT OF THIS ACTION**

The updated policy and procedures were sent to the College community on September 29, 2017, comments will be reviewed, and any changes, if appropriate, will be addressed prior to the Board’s second reading which is anticipated on November 6, 2017.

**BUDGET INFORMATION**

No budgetary impact.

**MONITORING AND REPORTING TIMELINE**

The Board will be notified of any changes that require its action.

**ATTACHMENTS**

Attachment 1 – Summary of Changes

Attachment 2 – Policy VI-GG Substantive Change (current policy)

**Action Item “XIII”  
Regular Board Meeting October 2, 2017  
Consideration of Approval of Policy (##): Substantive  
Change – First Reading (Information Only)**

Attachment 3 – Policy ##, Substantive Change (proposed policy)

Informational items only:

Attachment 4 – Procedure 3-24 Substantive Change (current procedures will be replaced with proposed procedures on monitoring and reporting)

Attachment 5 – Procedure ##, Monitoring Substantive Change

Attachment 6 – Procedure ##, Reporting Substantive Change

**RESOURCE PERSONNEL**

Laurel Williamson	281-998-6184	laurel.williamson@sjcd.edu
Chris Duke	281-998-6128	chris.duke@sjcd.edu

## Policies and Procedures Summary of Changes

New Policy Number: *To be determined by the Chancellor's Office*

Proposed Policy Name: Substantive Change

Current Policy Number/Name: VI-GG Policy on Substantive Change

New Procedure Number: *To be determined by the Chancellor's Office*

Proposed Procedure Name(s): Monitoring Substantive Change  
Reporting Substantive Change

Current Procedure Number(s)/Name(s): 3-24 Substantive Change

Action Recommended for Policy: Revised

Action Recommended for Procedures: One Revised, One New.

Web Links: <http://www.sanjac.edu/about-san-jac/college-operations/policies-and-procedures/policy-vi-gg-policy-substantive-change>

<http://www.sanjac.edu/about-san-jac/college-operations/policies-and-procedures/procedure-3-24-substantive-change>

Primary Owner: Deputy Chancellor and President

Secondary Owner: College-designated liaison to the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC)

### Summary of Changes:

- Policy revisions provide for establishing the new policy format and clarifying that the Board of Trustees will be notified of substantive changes submitted to SACSCOC.
- Procedure 3-24 is substantially replaced with the two new procedures on monitoring and reporting substantive change.
- Procedure for Reporting Substantive Change (document). Rather than copying and pasting the SACSCOC procedures into our procedures, this says (1) we follow all reporting procedures required by the SACSCOC substantive change policy and (2) we will document our process for determining that a change is not a substantive change. We report all substantive changes, and we will have documentation of changes we did not submit to SACSCOC in the form of substantive change evaluation forms (which is positive evidence of our compliance with the policy when we have decided something is NOT a change).
- Procedure for Monitoring Substantive Change (document). This assigns all of the different types of substantive change identified by SACSCOC to several different teams/councils/offices within the College. Each is charged with monitoring internal planning etc for prospective substantive changes; when a potential sub change is detected, each entity is responsible for looping our liaison into the discussion for reporting purposes. It specifies that the liaison's office will provide training to those groups.

# Policy VI-GG: Policy on Substantive Change

San Jacinto College (the College) is accredited by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC). The Board of Trustees and administration are committed to full compliance with the SACSCOC's Principle of Integrity, Core Requirements, Comprehensive Standards, policies, and additional Federal Requirements. The purpose of this policy is to ensure continuous compliance with current SACSCOC's Comprehensive Standards related to substantive changes and the Policy on *Substantive Change for Accredited Institutions of the Commission on Colleges*.

When the College significantly modifies or expands its scope, changes the nature of its affiliation or its ownership, or merges with another institution, it will notify SACSCOC of the substantive change.

The College notifies the SACSCOC of changes in accordance with the substantive change policy and, when required, seeks approval prior to the initiation of changes.

Substantive change includes the following categories:

- Any change in the established mission or objectives of the institution
- Any change in legal status, form of control, or ownership of the institution
- The addition of courses or programs that represent a significant departure, either in content or method of delivery, from those that were offered when the institution was last evaluated
- The addition of courses or programs of study at a degree or credential level different from that which is included in the institution's current accreditation or reaffirmation
- A change from clock hours to credit hours
- A substantial increase in the number of clock or credit hours awarded for successful completion of a program
- The establishment of an additional location geographically apart from the main campus at which the institution offers at least 50% of an educational program
- The establishment of a branch campus
- Closing a program, off-campus site, branch campus, or institution
- Entering into a collaborative academic arrangement that includes only the initiation of a dual or joint academic program with another institution
- Acquiring another institution or a program or location of another institution
- Adding a permanent location at a site where the institution is conducting a teach-out program for a closed institution
- Entering into a contract by which an entity not eligible for Title IV funding offers 25% or more of one or more of the accredited institution's programs

The Strategic Leadership Team or its designees is responsible for the development, dissemination, implementation, monitoring, and regular evaluation of procedures to ensure compliance with this policy. The accreditation liaison is responsible for monitoring College activities and informing the chancellor of the possible need for a notification of substantive change to SACSCOC and program developments in accord with the substantive change policy. The Board of Trustees will be notified of and consulted in activities qualifying as a substantive change. Compliance with this policy and associated procedures is mandatory.

Attachment 2

<b>Policy #:</b>	<b>VI-GG</b>
<b>Policy Name:</b>	<b>Policy on Substantive Change</b>
<b>Pages:</b>	<b>2</b>
<b>Adopted Date:</b>	<b>July 15, 2013</b>
<b>Revision/Reviewed Date:</b>	<b>March 31, 2014</b>
<b>Effective Date:</b>	<b>July 15, 2013 and March 31, 2014</b>
<b>Associated Procedure:</b>	<b>3-24</b>

## **Policy <POLICY NUMBER>, Substantive Change**

### **Purpose**

The Policy on Substantive Change outlines requirements for the College to comply with the Southern Association of College and Schools Commission on Colleges (SACSCOC) substantive change policy.

### **Policy**

The College will notify SACSCOC of changes or seek approval prior to the initiation of changes in accordance with the SACSCOC substantive change policy and procedures. The College will develop and maintain procedures to ensure that substantive changes are reported in a timely manner to SACSCOC. The procedures will include methods for proactively monitoring and evaluating changes within the College relative to the requirements of the SACSCOC substantive change policy.

The Strategic Leadership Team or its designees is responsible for the development, dissemination, implementation, monitoring, and regular evaluation of procedures to ensure compliance with this policy. The accreditation liaison is responsible for monitoring College activities and informing the chancellor of the possible need for a notification of substantive change to SACSCOC and program developments in accord with the substantive change policy. The Board of Trustees will be notified of substantive changes submitted to SACSCOC. Compliance with the policy and associated procedures is mandatory.

### **Definitions**

**Substantive change:** a significant modification or expansion of the nature and scope of an accredited institution. The SACSCOC's substantive change policy includes the following as institutional changes that must be reported:

- any change in the established mission or objectives of the institution;
- any change in legal status, form of control, or ownership of the institution;
- the addition of courses or programs that represent a significant departure, either in content or method of delivery, from those that were offered when the institution was last evaluated;
- the addition of courses or programs of study at a degree or credential level different from that which is included in the institution's current accreditation or reaffirmation;
- a change from clock hours to credit hours;
- a substantial increase in the number of clock or credit hours awarded for successful completion of a program;
- the establishment of an additional location geographically apart from the main campus at which the institution offers at least 50% of an educational program;
- the establishment of a branch campus;
- closing a program, off-campus site, branch campus or institution;
- entering into a collaborative academic arrangement that includes only the initiation of a dual or joint academic program with another institution;



Attachment 3

- acquiring another institution or a program or location of another institution;
- adding a permanent location at a site where the institution is conducting a teach-out program for a closed institution, and
- entering into a contract by which an entity not eligible for Title IV funding offers 25% or more of one or more of the accredited institution’s programs.

The Authority, Applicability, Sanctions, Exclusions, and Interpretation do not differ from Policy II.2000.A, Policy and Procedures Development, Review, Revision, and Rescission.

**Procedures**

Procedure (Number), Monitoring Substantive Change

Procedure (Number), Reporting Substantive Change

---

Date of Board Approval	Anticipated November 6, 2017
Effective Date	Anticipated November 7, 2017
Primary Owner	Deputy Chancellor and President
Secondary Owner	College-designated liaison to the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC)

---

# Procedure 3-24: Substantive Change

## 1. Training

Through comprehensive and regular training of key employees, plus timely and accurate reporting to the Strategic Leadership Team (SLT), San Jacinto College will comply with the SACSCOC policies on substantive change.

The SACSCOC Liaison will hold periodic training on substantive change policies of the commission. The target audience for the training will be department chairs, deans, directors of dual credit, Vice President for Distance Education, Vice President for Continuing and Professional Development, and leaders of the curriculum development process. The content of this training will be the basic requirements for SACSCOC prior notice and prior approval for substantive changes in programs and teaching sites. The table below summarizes the topics that require prior notice or approval.

## 2. Internal Reporting

Timely and accurate internal reporting will happen through a process whereby college administration will send these changes that may require prior notice or approval to the SLT through the SACSCOC Liaison.

## 3. Review

The SACSCOC Liaison will convene a task force to consider the suggested substantive changes. The task force will include administrators who are familiar with recent curriculum changes, recent changes in off campus teaching locations, recent program proposals from the Workforce and Economic Development Council, provosts, and other officials who will have direct knowledge of substantive changes.

## 4. Recommendation

After the consideration of the possible substantive change by the task force, the SACSCOC Liaison will make a recommendation to the Deputy Chancellor/President of the College and prepare a draft letter, program notification, and relevant prospectuses, as required. The Deputy Chancellor/President of the College will then present recommendations to the Chancellor (or SLT). The Board of Trustees will be informed by the Chancellor of any items requiring action by the Board.

Type of Change	Prior Notice Required	Timing of Notice	Prior Approval Required and Documentation
<b>Adding coursework or a program at a different level than currently approved</b>	NA	NA	Yes. Application for Level Change due April 15 or September 15
<b>Expanding at current degree level which results in a significant departure from current programs</b>	Yes	Six months before implementation	Yes. Prospectus

Attachment 4

<b>Starting a branch campus</b>	Yes	Six months before implementation	Yes. Prospectus
<b>Short notice certificate at employer's request:</b>			
<ul style="list-style-type: none"> <li>• <b>Using existing approved courses</b></li> </ul>	NA	NA	NA
<ul style="list-style-type: none"> <li>• <b>Previously approved program but at a new off-campus site</b></li> </ul>			
<ul style="list-style-type: none"> <li>• <b>Significant departure from previously approved programs</b></li> </ul>	NA	NA	Yes. Modified Prospectus
	Yes	Prior to implementation	Yes. Modified Prospectus
<b>Starting other certificate programs:</b>			
<ul style="list-style-type: none"> <li>• <b>Using existing approved courses</b></li> </ul>	NA	NA	NA
<ul style="list-style-type: none"> <li>• <b>Previously approved program but at a new off-campus site</b></li> </ul>	NA	NA	Yes. Prospectus
<ul style="list-style-type: none"> <li>• <b>Significant departure from previously approved programs</b></li> </ul>			
	Yes	Six Months before implementation	Yes. Prospectus

Attachment 4

<b>Significant alteration of institutional educational mission</b>	NA	NA	Yes. Contact Commission Staff
<b>Joint or dual degrees with another institution:</b>			
<ul style="list-style-type: none"> <li>• <b>Joint program with another SACSCOC-accredited institution</b></li> </ul>	Yes	Prior to implementation	No. The institution must submit a copy of the signed agreement and contact information for each institution.
<ul style="list-style-type: none"> <li>• <b>. . . with an institution not accredited by SACSCOC</b></li> </ul>	Yes	Six months before implementation	Yes. Prospectus
<ul style="list-style-type: none"> <li>• <b>Dual Programs</b></li> </ul>	Yes	Prior to implementation	No. The institution must submit a copy of the signed agreement and contact information for each institution.
<b>New Off-Campus site (Early College High School or Dual Enrollment offered at a high school)</b>			
<ul style="list-style-type: none"> <li>• <b>. . . student can obtain 50% or more credits toward program</b></li> </ul>	NA	NA	Yes. Prospectus
<ul style="list-style-type: none"> <li>• <b>. . . student can obtain 25-49% of credits</b></li> </ul>	Yes	Prior to implementation	NA Letter of notification
<ul style="list-style-type: none"> <li>• <b>. . . student can obtain 24% or less of credits</b></li> </ul>	NA	NA	NA
<b>Expanding program offerings at previously approved off-campus sites</b>	NA	NA	NA
<b>Altering significantly the length of a program</b>	NA	NA	Yes. Prospectus
<b>Starting a distance learning program</b>			

Attachment 4

<ul style="list-style-type: none"> <li>• Offering 50% or more of a program for the first time</li> </ul>			
<ul style="list-style-type: none"> <li>• Offering 25-49%</li> </ul>	NA	NA	Yes. Prospectus
	Yes	Prior to implementation	No. Letter of notification
<ul style="list-style-type: none"> <li>• Offering 24% or less</li> </ul>	NA	NA	NA
<b>Program or courses offered through a contractual agreement or consortium</b>	Yes	Prior to implementation	No. Letter of notification and copy of signed agreement
<b>Entering into a contract with an institution that is not DOE certified to participate in Title IV programs:</b>			
<ul style="list-style-type: none"> <li>• If the other institution provides 25% or more of a program offered by the COC-accredited institution</li> </ul>	NA	NA	Yes. Prospectus
<ul style="list-style-type: none"> <li>• If the other institution provides less than 25% of a program offered by the accredited institution</li> </ul>	Yes	Prior to implementation	NA Copy of the signed agreement
<b>Initiating a merger or consolidation with another institution</b>	Yes	Six months	Yes. Prospectus: Due dates April 15 and September 15
<b>Changing governance, ownership, control, or legal status</b>	Yes	Six months	Yes. Prospectus: Due dates April 15 and September 15
<b>Relocating a main or a branch campus</b>	Yes	Six months	Yes. Prospectus: Due dates April 15 and September 15

Attachment 4

<b>Moving an off-campus site serving the same geographic area</b>	Yes	Prior to implementation	NA Letter of notification with new address and starting date
<b>Changing from clock to credit hours</b>	NA	NA	Yes. Justify reasons for change, indicated calculation of equivalency, and other pertinent information
<b>Beginning “Degree Completion Programs”</b>	NA	NA	Yes. Prospectus
<b>Closing a program, at an off-campus site, branch campus, or main campus</b>			
<ul style="list-style-type: none"> <li>• <b>Institution will teach out its own students</b></li> <li>• <b>Teach-Out Agreement with another institution</b></li> </ul>	Yes	Immediately following decision to close	Yes. Description of teach-out plan included with the letter of notification
	Yes	Immediately following decision to close	Yes. Description of teach-out plan, copy of signed teach-out agreement detailing terms included with the notification
<b>Acquiring any program or site from another institution</b>	Yes	Six months	Yes. Prospectus
<b>Adding a permanent site where the institution is conducting a teach-out for students from another institution which is closing</b>	Yes	Six months	Yes. Prospectus

**Substantive Change Report Form**

Your name: \_\_\_\_\_ Date: \_\_\_\_\_

Your Title: \_\_\_\_\_ Campus: \_\_\_\_\_

Telephone # \_\_\_\_\_

The nature of the substantive change that you are reporting is:

\_\_\_\_\_ offer new courses or a new program, certificate or degree, on one of the college campuses

\_\_\_\_\_ offer new courses or a new program, certificate or degree, on one of the college campuses that is/are significantly different from existing programs that the college offers

\_\_\_\_\_ open a new location for teaching credit classes

\_\_\_\_\_ offer dual credit or other college courses at an area high school

\_\_\_\_\_ increase the offerings at location other than one of the college campuses that will increase the offerings from less than 25% to 25-49% of an award

\_\_\_\_\_ increase the offerings at location other than one of the college campuses that will increase the offerings from less than 50% to 50% or more of an award

\_\_\_\_\_ offer courses or program at a level other than certificate or associate's degree

\_\_\_\_\_ offer courses or a program through a dual or joint agreement, contract, or consortium with another institution

\_\_\_\_\_ move the location of an approved off-campus site to a new site

\_\_\_\_\_ change a program from clock to credit hours

\_\_\_\_\_ close a program

Name or description of the program: \_\_\_\_\_

\_\_\_\_\_

The target implementation date for this substantive change: \_\_\_\_\_

\_\_\_\_\_ / \_\_\_\_\_

Department Chair/Date

Attachment 4

\_\_\_\_\_/\_\_\_\_\_  
Director/Dean/VP/Provost/Date

\_\_\_\_\_  
Vice President for Accreditation and Special Initiatives/SACSCOC Liaison

Forwarded to Deputy Chancellor/President of the College date: \_\_\_\_\_

Recommendation:

<b>Procedure #:</b>	<b>3-24</b>
<b>Procedure Name:</b>	<b>Procedure on Substantive Change</b>
<b>Pages:</b>	<b>6</b>
<b>Adopted Date:</b>	<b>March 3, 2014</b>
<b>Revision/Reviewed Date:</b>	<b>March 3, 2014</b>
<b>Effective Date:</b>	<b>March 3, 2014</b>
<b>Associated Policy:</b>	<b>VI-GG</b>



## **Procedure <PROCEDURE NUMBER>, Monitoring Substantive Change**

### **Associated Policy**

Policy #, Substantive Change – Add link when finalized

### **Procedures**

1. To ensure comprehensive monitoring of changes to College operations that may represent a “substantive change” as defined by the SACSCOC “Substantive Change for SACSCOC Accredited Institutions, Policy Statement,” the College’s liaison to SACSCOC in collaboration with the SLT identifies specific leadership teams, office, or personnel to be responsible for reporting prospective changes to and consulting with the College’s SACSCOC liaison to initiate the process of reporting a substantive change to SACSCOC.

Each identified leadership team, office, or personnel will be responsible for types of substantive change that are within their scope of responsibility. The leadership team, office, or personnel and the types of substantive change which they are responsible for monitoring include the following:

- a. Strategic Leadership Team
  - i. initiating coursework or programs at a different level than currently approved
  - ii. initiating a branch campus
  - iii. relocating a main or branch campus
  - iv. initiating a merger/consolidation with another institution
  - v. changing governance, ownership, control, or legal status of an institution
  - vi. acquiring any program or site from another institution
  - vii. adding a permanent location at a site where the institution is conducting a teach-out for students from another institution that is closing
  - viii. adding a site under a U.S. military contract for a previously approved program
  - ix. altering significantly the educational mission of the institution
  - x. moving an off-campus instructional site (serving the same geographic area)
  - xi. closing a program, approved off-campus site, branch campus, or institution where the institution plans to teach out its own students
  - xii. closing a program, approved off-campus site, branch campus, or institution where the institution plans contracts with another institution(s) to teach-out students (Teach-out Agreement)
- b. Instructional Deans’ Council

## Attachment 5

- i. initiating off-campus sites where student can obtain 50% or more credits toward a program (including but not limited to Early College High School, dual enrollment programs offered at a high school, and certificate programs that are not at employer's request and not on short notice)
- ii. expanding at current degree level (significant departure from current programs)
- iii. expanding program offerings at previously approved off-campus sites by adding programs that ARE significantly different from current programs at the site AND at the institution
- iv. initiating degree completion programs
  - v. entering into a contract with an entity not certified to participate in USDOE Title IV programs if the entity provides 25% or more of an educational program offered by the SACSCOC accredited institution
- vi. initiating dual or joint degrees involving program expansion (significant departure) or initiating a new site where student can obtain 50% or more credits toward a program
- vii. initiating dual or joint degree with at least one institution not accredited by SACSCOC
- viii. initiating a direct assessment competency-based program
  - ix. initiating a certificate program at a new off-campus site at employer's request and on short notice (previously approved program)
  - x. initiating a certificate program that is a significant departure from previously approved programs at employer's request and on short notice
  - xi. adding a site under a U.S. military contract for a previously approved program
  - xii. altering significantly the length of a program
- xiii. changing from clock hours to credit hours
- xiv. initiating dual or joint degrees with other SACSCOC accredited institutions
- xv. initiating programs or courses offered through contractual agreement or consortium
- xvi. entering into a contract with an entity not certified to participate in USDOE Title IV programs if the entity provides less than 25% of an educational program offered by the SACSCOC accredited institution
- xvii. initiating off-campus sites where student can obtain 25-49% of credits toward a program (including but not limited to Early College High School, dual enrollment programs offered at a high school, and certificate programs that are not at employer's request and not on short notice)
- xviii. closing a program, approved off-campus site, branch campus, or institution where the institution plans to teach out its own students
- xix. closing a program, approved off-campus site, branch campus, or institution where the institution plans contracts with another institution(s) to teach-out students (Teach-out Agreement)

## Attachment 5

- xx. initiating a certificate program at employer's request and on short notice using existing approved courses and location
  - xxi. initiating certificate program (not at employer's request and not on short notice) using existing approved courses and location
  - xxii. initiating off-campus sites (including Early College High School and dual enrollment programs offered at the high school) where student can obtain 24% or less of credits toward a program
  - xxiii. expanding program offerings at previously approved off-campus sites by adding programs that ARE NOT significantly different from the current programs at the site
  - xxiv. expanding program offerings at previously approved off-campus sites by adding approved programs that ARE significantly different from current programs at the site but NOT at the institution
- c. Educational Partnerships Office
- i. initiating off-campus sites where student can obtain 50% or more credits toward a program (including but not limited to Early College High School, dual enrollment programs offered at a high school, and certificate programs that are not at employer's request and not on short notice)
  - ii. expanding program offerings at previously approved off-campus sites by adding programs that ARE significantly different from current programs at the site AND at the institution
  - iii. initiating off-campus sites where student can obtain 25-49% of credits toward a program (including but not limited to Early College High School, dual enrollment programs offered at a high school, and certificate programs that are not at employer's request and not on short notice)
  - iv. initiating off-campus sites (including Early College High School and dual enrollment programs offered at the high school) where student can obtain 24% or less of credits toward a program
- d. Fiscal Affairs and Contracts & Purchasing Office
- i. entering into a contract with an entity not certified to participate in USDOE Title IV programs if the entity provides 25% or more of an educational program offered by the SACSCOC accredited institution
  - ii. adding a site under a U.S. military contract for a previously approved program
  - iii. initiating programs or courses offered through contractual agreement or consortium
  - iv. entering into a contract with an entity not certified to participate in USDOE Title IV programs if the entity provides less than 25% of an educational program offered by the SACSCOC accredited institution
  - v. closing a program, approved off-campus site, branch campus, or institution where the institution plans contracts with another institution(s)

to teach-out students (Teach-out Agreement)

- e. Articulation and Transfer Council
  - i. initiating dual or joint degrees involving program expansion (significant departure) or initiating a new site where student can obtain 50% or more credits toward a program
  - ii. initiating dual or joint degree with at least one institution not accredited by SACSCOC
  - iii. initiating dual or joint degrees with other SACSCOC accredited institutions
  
- f. The following types of substantive change may only occur one time; since the College has previously reported distance learning related substantive change, these types of substantive change do not require monitoring.
  - i. initiating distance learning by offering 50% or more of the first program for the first time
  - ii. initiating distance learning by offering 25-49% of the first program for the first time
  - iii. initiating distance learning by offering 24% or less of any program for the first time
  
- 2. Each leadership team, office, or personnel will report and consult with the College’s SACSCOC liaison regarding a prospective change immediately upon becoming aware of the internal discussions and planning regarding the prospective change.
  
- 3. The College’s liaison to SACSCOC or designee will provide training annually to each leadership team, office, or personnel identified previously within this procedure. Training may also be provided subsequent to changes in the membership of teams or offices or to personnel changes. The training for each group will include an overview of substantive change and a focus on the specific types of substantive change for which the leadership team, office, or personnel is responsible.

**Definitions**

**Substantive change:** a significant modification or expansion of the nature and scope of an accredited institution.

Date of SLT Approval	September 18, 2017
Effective Date	Anticipated November 7, 2017
Associated Policy	Policy #, Substantive Change – Add link when finalized

Attachment 5

---

Primary Owner of Policy Associated with the Procedure	Deputy Chancellor and President
---	---------------------------------

---

Secondary Owner of Policy Associated with the Procedure	College-designated liaison to the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC)
---	---

---

**Procedure <PROCEDURE NUMBER>, Reporting Substantive Change**

**Associated Policy**

Policy #, Substantive Change – *Add link when finalized*

**Procedures**

1. The College’s liaison to the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC), following approval by the Deputy Chancellor, will report substantive changes to SACSCOC according to the procedures defined in the SACSCOC “Substantive Change for SACSCOC Accredited Institutions, Policy Statement” available online via the SACSCOC website.
  
2. A College determination that a change does not constitute a substantive change as defined by the SACSCOC substantive change policy statement will be documented by an internal, “Substantive Change Evaluation” form. The College will consider a substantive change evaluation form to be internal substantive change report; the substantive change evaluation form may include but is not limited to:
  - “Significant Departure” of New Credential or Courses
  - Program Closure

**Definitions**

**Substantive change:** a significant modification or expansion of the nature and scope of an accredited institution.

Date of SLT Approval	September 18, 2017
Effective Date	Anticipated November 7, 2017
Associated Policy	Policy #, Substantive Change – <i>Add link when finalized</i>
Primary Owner of Policy Associated with the Procedure	Deputy Chancellor and President
Secondary Owner of Policy Associated with the Procedure	College-designated liaison to the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC)

## **ADMINISTRATION RECOMMENDATION/REPORT**

The administration recommends that the Board of Trustees approve revisions to Policy 2-19: Policy on Electioneering. The Board of Trustees will not vote on this item at this meeting but is creating awareness that the policy is being considered and input is being gathered. New numbering will be added prior to the second reading.

## **BACKGROUND**

Policy 2-19 was approved by the Board on October 10, 2016. The supporting procedures were received by the Board as an informational item on October 10, 2016. This policy reflects the priority use of the College’s facilities is primarily focused on educational purposes and student related services. The College has facilities that are sometimes requested to be used as polling locations in local, state, and national elections. To properly manage the requests for polling locations, it is prudent to establish a Board approved policy and related procedures to govern the requests and permitted uses.

## **IMPACT OF THIS ACTION**

The revisions to this policy are to establish the new policy format. Procedures are not approved by the Board but are included for informational purposes. The purpose of the policy and associated procedures are to establish Board policy and procedures to govern the use of College facilities for the purpose of election activities.

The updated policies and procedures were sent to the College community for comments and clarification on September 29, 2017. Comments will be reviewed, and any necessary changes, if appropriate, will be addressed prior to the Board’s second reading which is anticipated on November 6, 2017.

## **BUDGET INFORMATION (INCLUDING ANY STAFFING IMPLICATIONS)**

None anticipated.

## **MONITORING AND REPORTING TIMELINE**

Upon approval, the College’s Election Administrator will assume immediate responsibility for monitoring any future use of facilities for election purposes relating to this policy or related procedures.

## **ATTACHMENTS**

- Attachment 1 – Summary of Changes
- Attachment 2 – Policy 2-19, Policy on Electioneering (current policy)
- Attachment 3 – Policy ##, Electioneering (proposed policy)
- Attachment 4 – Procedures 2-19-a, Procedures on Electioneering (current procedures)
- Attachment 5 – Procedure ##, Electioneering (proposed procedures)

**Action Item "XIV"**  
**Regular Board Meeting October 2, 2017**  
**Consideration of Policy ##: Electioneering – First Reading (Information Only)**

**RESOURCE PERSONNEL**

Chet Lewis	281-998-6306	brenda.hellyer@sjcd.edu
Ginger Lambert	281-998-6183	ginger.lambert@sjcd.edu



## Policies and Procedures Summary of Changes

New Policy Number: *To be determined by the Chancellor's Office*

Proposed Policy Name: Electioneering

Current Policy Number/Name: Policy on Electioneering 2-19

New Procedure Number: *To be determined by the Chancellor's Office*

Proposed Procedure Name(s): Electioneering

Current Procedure Number(s)/Name(s): 2-19-a Procedures on Electioneering

Action Recommended for Policy: Revised

Action Recommended for Procedures: Revised

Web Links:

<http://www.sanjac.edu/policy-2-19-policy-electioneering>

<http://www.sanjac.edu/procedure-2-19-procedures-electioneering>

Primary Owner: Vice Chancellor, Marketing, Public Relations, Government Affairs

Secondary Owner: Vice Chancellor, Fiscal Affairs

### Summary of Changes:

- Changes to the policy included establishing the new format and adding the missing word, “who” on the fourth line of the paragraph under the “Purpose” paragraph. “...for those who will electioneer...”
- Changes to procedures to include information if the College facilities are used for election day as well as early voting. Added the following to bullet points as highlighted.
  - Moved paragraph formerly under “definition” on Policy 2-19 to be the first statement in the procedures.
  - Changed wording in first bullet from “in” to “for”
  - Campaign signs and promotional materials must be removed by 6:00 a.m. the day following the last day of early voting, unless the polling location will also be used for Election Day.
  - If San Jacinto College is selected as a polling location for election day, campaign signs and promotional materials must be removed by 6:00 a.m. the day following the election date.
  - Added definition of electioneering
  - Added definition of electioneering marker

# Policy 2-19: Policy on Electioneering

## 1. INTRODUCTION

The facilities of San Jacinto Community College District exist to serve College purposes, including, but not limited to providing educational programs and services to students. These College purposes have priority over any other use of College facilities.

## 2. DEFINITION

The College may make its facilities available for use as a polling place in any election that covers territory in which the facilities are located. If more than one authority requests the use of the facility for the same day and simultaneous use is impractical, the College shall determine which authority may use the building.

## 3. GENERAL POLICY

The Board of Trustees authorizes the Chancellor to develop and implement electioneering procedures in accordance with the College's policies and standards.

<b>Policy #:</b>	<b>2-19</b>
<b>Policy Name:</b>	<b>Policy on Electioneering</b>
<b>Pages:</b>	<b>1</b>
<b>Adopted Date:</b>	<b>October 10, 2016</b>
<b>Revision/Reviewed Date:</b>	<b>September 13, 2016</b>
<b>Effective Date:</b>	<b>October 11, 2016</b>
<b>Associated Procedure:</b>	<b>2-19-a</b>

**Policy ##, Electioneering**

**Purpose**

The facilities of San Jacinto Community College District exist to serve College purposes, including, but not limited to providing educational programs and services to students. These College purposes have priority over any other use of College facilities. This policy addresses the use of facilities for those who will electioneer during early voting and Election Day voting if the College is selected as a polling location.

**Policy**

The Board of Trustees authorizes the Chancellor to develop and implement electioneering procedures in accordance with the College’s policies and standards.

The Authority, Applicability, Sanctions, Exclusions, and Interpretation do not differ from Policy II.2000.A, Policy and Procedures Development, Review, Revision, and Rescission.

**Procedures**

[Procedures on Electioneering](#)

---

Date of Board Approval	Anticipated November 6, 2017.
Effective Date	Anticipated November 7, 2017.
Primary Owner	Vice Chancellor, Marketing, Public Relations, and Government Affairs
Secondary Owner	Vice Chancellor, Fiscal Affairs

---

# Procedure 2-19-a: Procedures on Electioneering

## 1. Introduction

The Board of Trustees authorizes the Chancellor to develop and implement electioneering procedures in accordance with the College's policies and standards.

## 2. Procedure

Regulations for Campaign Signage and Electioneering on College Property:

- Each candidate should be reasonable in the number of campaign signs and promotional materials placed on College property. The intent is that multiple candidates will be utilizing the same space. Campaign signs and promotional materials shall have back-to-back (two-sided) copy only (no three-dimensional, multiple-faced signs), shall not exceed four-square feet in size, with no dimensions greater than two feet, and shall not be displayed at a height greater than three feet above ground level measured from the top of the sign to the ground.
- Campaign signs and promotional materials may be displayed only by attachment to the ground; no signs may be attached to light poles, telephone poles, fences, pylons, fire hydrants, trees, other signs, or any other fixture or structure.
- Campaign signs and promotional materials must be placed in a manner that does not impair or impede in any way the use of parking lots, streets, roadways, driveways, sidewalks, walking paths, fire hydrants, or other similar conveyances or structures by the motoring public, pedestrians, or College students or employees. Signs must not be placed in any part of any driveway or parking space at a polling location.
- Campaign signs and promotional materials may not be placed closer to a polling location than the electioneering marker.
- Vehicles bearing campaign signs and promotional materials larger than a bumper sticker are prohibited from parking in the College parking lots serving polling location unless campaign supplies are in the process of being loaded or unloaded. Parking is scarce at polling locations so occupation of parking spaces by vehicles for the purpose of advertising, political or otherwise, will not be tolerated; such vehicles will be towed at the owner's expense.
- Canopies and oversized umbrellas (such as beach and patio umbrellas) are not allowed, except in a College approved designated location.
- Tables, chairs, and other such items and equipment must not impair or impede in any way the use of parking lots, streets, roadways, driveways, sidewalks, walking paths, fire hydrants, or other similar conveyances or structures by the motoring public, pedestrians, or College students and employees.
- Campaign signs and promotional materials may not be placed adjacent to early voting locations prior to the beginning of early voting for elections and runoff elections.
- Campaign signs and promotional materials must be removed by 6:00 a.m. the day following the last day of early voting.
- Campaign signs and promotional materials that are deemed to be a hazardous obstruction to traffic as determined by the Harris County Election Judge or San Jacinto College will be removed immediately.

## Attachment 4

- Campaign signs and promotional materials should be secured to prevent becoming flying objects in heavy winds/breeze. Loose items will be removed.
- Candidates or representatives must remain in the designated area only when engaged in campaigning activities.
- Candidates or representatives must not impair or impede in any way the use of parking lots, streets, roadways, driveways, sidewalks, or walking paths.
- Each candidate or candidate's representative will be allowed one warning in regard to the above listed procedures. Upon a second offense, the candidate or candidate's representative will be asked to vacate the premises along with all campaign signs and promotional materials.

<b>Procedure #:</b>	<b>2-19-a</b>
<b>Procedure Name:</b>	<b>Procedures on Electioneering</b>
<b>Pages:</b>	<b>2</b>
<b>Adopted Date:</b>	<b>October 10, 2016</b>
<b>Revision/Reviewed Date:</b>	<b>September 13, 2016</b>
<b>Effective Date:</b>	<b>October 11, 2016</b>
<b>Associated Policy:</b>	<b>Policy 2-19</b>

## **Procedure ##, Electioneering**

### **Associated Policy**

#### [Policy on Electioneering](#)

The College may make its facilities available for use as a polling place in any election that covers territory in which the facilities are located. If more than one authority requests the use of the facility for the same day and simultaneous use is impractical, the College shall determine which authority may use the building.

### **Procedures**

Regulations for Campaign Signage and Electioneering on College Property:

- Each candidate should be reasonable for the number of campaign signs and promotional materials placed on College property. The intent is that multiple candidates will be utilizing the same space. Campaign signs and promotional materials shall have back-to-back (two-sided) copy only (no three-dimensional, multiple-faced signs), shall not exceed four-square feet in size, with no dimensions greater than two feet, and shall not be displayed at a height greater than three feet above ground level measured from the top of the sign to the ground.
- Campaign signs and promotional materials may be displayed only by attachment to the ground; no signs may be attached to light poles, telephone poles, fences, pylons, fire hydrants, trees, other signs, or any other fixture or structure.
- Campaign signs and promotional materials must be placed in a manner that does not impair or impede in any way the use of parking lots, streets, roadways, driveways, sidewalks, walking paths, fire hydrants, or other similar conveyances or structures by the motoring public, pedestrians, or College students or employees. Signs must not be placed in any part of any driveway or parking space at a polling location.
- Campaign signs and promotional materials may not be placed closer to a polling location than the electioneering marker.
- Vehicles bearing campaign signs and promotional materials larger than a bumper sticker are prohibited from parking in the College parking lots serving polling location unless campaign supplies are in the process of being loaded or unloaded. Parking is scarce at polling locations so occupation of parking spaces by vehicles for the purpose of advertising, political or otherwise, will not be tolerated; such vehicles will be towed at the owner's expense.
- Canopies and oversized umbrellas (such as beach and patio umbrellas) are not allowed, except in a College approved designated location.
- Tables, chairs, and other such items and equipment must not impair or impede in any way the use of parking lots, streets, roadways, driveways, sidewalks, walking paths, fire hydrants, or other similar conveyances or structures by the motoring public, pedestrians, or College students and employees.

Attachment 5

- Campaign signs and promotional materials may not be placed adjacent to early voting or Election Day voting locations prior to the beginning of early voting for elections and runoff elections.
- Campaign signs and promotional materials must be removed by 6:00 a.m. the day following the last day of early voting, unless the polling location will also be used for Election Day.
- If San Jacinto College is selected as a polling location for Election Day, campaign signs and promotional materials must be removed by 6:00 a.m. the day following the election date.
- Campaign signs and promotional materials that are deemed to be a hazardous obstruction to traffic as determined by the Harris County Election Judge or San Jacinto College will be removed immediately.
- Campaign signs and promotional materials should be secured to prevent becoming flying objects in heavy winds/breeze. Loose items will be removed.
- Candidates or representatives must remain in the designated area only when engaged in campaigning activities.
- Candidates or representatives must not impair or impede in any way the use of parking lots, streets, roadways, driveways, sidewalks, or walking paths.
- Each candidate or candidate’s representative will be allowed one warning in regard to the above listed procedures. Upon a second offense, the candidate or candidate’s representative will be asked to vacate the premises along with all campaign signs and promotional materials.

**Definitions**

**Electioneering:** The act of persuading (or attempting to persuade); communication intended to induce belief for a candidate attempting to be elected.

**Electioneering marker:** the electioneering marker is a sign placed by the polling entity designating the distance candidates must be from the polling location for electioneering.

Date of SLT Approval	September 18, 2017
Effective Date	Anticipated November 7, 2017
Associated Policy	<a href="#"><i>Policy on Electioneering</i></a>
Primary Owner of Policy Associated with the Procedure	Teri Crawford, Vice Chancellor Marketing, Public Relations, Government Affairs
Secondary Owner of Policy Associated with the Procedure	Chet Lewis, Vice Chancellor Fiscal Affairs

**SAN JACINTO COMMUNITY COLLEGE DISTRICT  
PURCHASE RECAP  
October 2, 2017**

<b>I.</b>	<b>EQUIPMENT, SUPPLIES &amp; SERVICES BIDS</b>	
	RFP #18-06	
	Video Production Services (pgs. 2-4)	120,000
	RFP #18-09	
	Internet Circuits and Services (pgs. 5-6)	<u>96,000</u>
	<b>TOTAL OF ALL BIDS</b>	<b>216,000</b>
<b>II.</b>	<b>PURCHASE REQUESTS, SOLE SOURCE VENDORS, COOPERATIVES, AND CONTRACT RENEWALS</b>	
	Purchase Request #1	
	LED Lighting Project (pgs. 7-8)	1,385,000
	Purchase Request #2	
	Consideration of Approval of Additional Funds for Program Management Services (pgs. 9-10)	127,000
	Purchase Request #3	
	Computers (pgs. 11-12)	<u>740,000</u>
	<b>TOTAL OF PURCHASE REQUESTS</b>	<b>2,252,000</b>
	<b>GRAND TOTAL:</b>	<b><u>\$ 2,468,000</u></b>



## **ADMINISTRATION RECOMMENDATION/REPORT**

The administration recommends the Board of Trustees approve a contract for video production services with Hack Studios, Interact Communications, Inc., and Stray Dog Studios, LLC, for the Marketing, Public Relations (PR) & Government Affairs department.

### **BACKGROUND**

A request for proposals, Project Number 18-06, was issued to procure video production services. Six (6) responses were received and evaluated by a team consisting of Marketing, PR & Government Affairs and Recruitment administrators and staff who determined the proposals submitted by the top three highest ranked firms would provide the best value to the College.

The Marketing, PR & Government Affairs department is requesting long-term contracts with video production suppliers who can provide high-quality service at the best value to the College community. The department has experience with two of the three vendors, who have provided high quality video work and excellent service.

Interact Communications, Inc. produced marketing videos for the State of Texas and for another college in the region. They work exclusively with community colleges, so they bring best practices and an understanding of the market. They also provide an annual media preferences survey for the College, which is a valuable resource the department uses to make media buying decisions.

Stray Dog Studios is a Houston-based company that has produced several marketing videos for the College. They have proven themselves as a strong and flexible firm that produces outstanding videos. The College does not have a previous business relationship with Hack Studios, but their proposal and video examples were impressive. Therefore, the recommendation is to select the two highest ranked firms base on the best value scoring for the College.

### **IMPACT OF THIS ACTION**

The College has multiple departments that require use of professional video production services for a wide range of projects and events. The Marketing department does not have in-house resources to meet this need. Projects include production of videography for promotional, media, and educational projects. Videos are typically used for advertising on television and digital media, shown to prospective and/or new students, and placed on the College website. Videos have become an important and mainstream way to communicate information, especially with prospective and current students in the 16 – 30 years old age bracket.

**RFP # 18-06**  
**Regular Board Meeting October 2, 2017**  
**Consideration of Approval to Contract for Video Production Services**

**BUDGET INFORMATION (INCLUDING ANY STAFFING IMPLICATIONS)**

The estimated annual expenditure is \$120,000. This expenditure is funded from the Marketing, PR & Government Affairs department's 2017-2018 operating budget and subsequent year budgets. Departments requesting specific promotional videos for their own purposes will use their departmental budget to acquire those videos.

**MONITORING AND REPORTING TIMELINE**

The initial award term will be two (2) years, ending two years from the date of the final contract execution, with renewal options of three (3) one-year terms.

**ATTACHMENTS**

Attachment 1 - Tabulation

**RESOURCE PERSONNEL**

Janet Cowey	281-991-2603	janet.cowey@sjcd.edu
Patsy Laredo	281-998-6106	patsy.laredo@sjcd.edu

**Project Name** Video Production Services  
**Project Number** RFP 18-06  
**Number of Evaluators** 4

Stated Criteria	Criteria Explanation	Total Points Available	CTE Skills	EVA Productions	Hack Studios	Interact Communications, Inc.	Limelight Studios	Stray Dog Studios, LLC
Project Approach and Services	Management and approach to the scope of services	200	135.00	156.00	189.00	162.00	169.00	165.00
Qualifications and Experience of Firm & Personnel	Firm's references, reputation and experience	100	71.00	74.00	91.00	95.00	84.00	69.00
Price Proposal	Best overall value approach for the College	100	81.00	84.00	86.00	74.00	70.00	91.00
		<b>400</b>	<b>287.00</b>	<b>314.00</b>	<b>366.00</b>	<b>331.00</b>	<b>323.00</b>	<b>325.00</b>
<b>Total Points Received</b>								

**Final Ranking**

Vendor Name	Total Score
<b>Hack Studios</b>	<b>366.00</b>
<b>Interact Communications, Inc.</b>	<b>331.00</b>
<b>Stray Dog Studios, LLC</b>	<b>325.00</b>
Limelight Films	323.00
EVA Productions	314.00
CTE Skills	287.00

## **ADMINISTRATION RECOMMENDATION/REPORT**

The administration recommends the Board of Trustees approve a contract for internet circuits and services with Comcast Business for the College.

### **BACKGROUND**

The College provides internet access to faculty, staff, and students for business and instructional purposes. This access is provided through two different telecommunication circuits; of which both are reaching capacity from mid-morning until mid-afternoon, Monday through Friday. Further, utilization continues to grow each year from increased instructional demands and students bringing their own devices. Lastly, as we begin widespread implementation of Open Education Resources, we anticipate additional dependency on internet services. As a result additional telecommunication circuits and increase overall capacity is needed.

A request for proposals, Project Number 18-09, was issued to procure internet circuits and services. Six (6) responses were received and evaluated by a team consisting of Information Technology Services (ITS) administrators and staff who determined the proposal submitted by Comcast Business would provide the best value to the College.

### **IMPACT OF THIS ACTION**

Approval of this request result in increased internet bandwidth in support of the College's Strategic Goals and Annual Priorities. Fast and reliable internet access is a component for both instruction and administrative needs.

### **BUDGET INFORMATION (INCLUDING ANY STAFFING IMPLICATIONS)**

The estimated annual expenditure is \$96,000. This expenditure is funded from the ITS department's 2017-2018 operating budget and subsequent year budgets.

### **MONITORING AND REPORTING TIMELINE**

The award term will be five (5) years, ending five years from the date of the final contract execution.

### **ATTACHMENTS**

Attachment 1 - Tabulation

### **RESOURCE PERSONNEL**

Allen Bourque	281-998-6353	allen.bourque@sjcd.edu
Charity Simpson	281-998-6328	charity.simpson@sjcd.edu

**Project Name** Internet Circuits and Services  
**Project Number** 18-09  
**Number of Evaluator** 4

Stated Criteria	Criteria Explanation	Total Points Available	Comcast Business	PS Lightwave	TPx Communications	TLC Office Systems	Phonoscope Inc	Joseph Longway
Project Understanding and Management	Management and technical approach to the scope of services, breadth and depth of the Plan Detail	80	54	51	9	10	47	46
Qualifications and Experience of Firm	Firm's references, reputation and experience	80	58	53	16	20	52	41
Qualifications and Experience of Personnel and Team	Firm's personnel experience	80	64	58	27	26	62	41
Price Proposal	Evaluated on a best overall value approach for the College	160	144	120	102	75	100	89
		<b>400</b>	<b>320</b>	<b>282</b>	<b>154</b>	<b>131</b>	<b>261</b>	<b>217</b>
<b>Total Points Received</b>								

### Final Ranking

Vendor Name	Total Score
Comcast Business	320
PS Lightwave	282
Phonoscope Inc	261
Joseph Longway	217
TPx Communications	154
TLC Office Systems	131

**Purchase Request #1**  
**Regular Board Meeting October 2, 2017**  
**Consideration of Approval of Method of Procurement and**  
**Authorization of Contract Award for LED Lighting Project**

**ADMINISTRATION RECOMMENDATION/REPORT**

The administration recommends the Board of Trustees approve the method of procurement and authorization for the Chancellor to award a contract for the Light Emitting Diode (LED) Lighting Project.

**BACKGROUND**

San Jacinto College was invited to take part in a corporate partnership opportunity that will provide high-efficiency light fixtures for the College. This action will provide a benefit to the College that reduces operating costs and provides an improved learning environment for students.

The high-efficiency light fixtures will be purchased and installed by the College. During the course of this project, the College will be reimbursed for the costs of materials and installation labor. When the project is completed in 2018, the College will have installed approximately 4,600 high-efficiency LED light fixtures, providing significant reductions in operating cost and improved classroom lighting conditions.

Even though all expenses for labor and materials will be reimbursed by the partner corporation, this project must be designed and procured within the existing processes of the College. With that, it is proposed that this project be procured utilizing the Competitive Sealed Proposal (CSP) methodology. The CSP solicitation package includes the detailed design specifications and project plans developed by ACR Engineering, Inc., as required for public solicitation of construction proposals in accordance with the Texas Government Code, Section 2269.151.

A request for competitive sealed proposals, Project Number 18-10, has been issued to procure electrical “turnkey” services for this project. The due date to submit a proposal is September 15, 2017, after which the received proposals will be evaluated by a team comprised of representatives from Facility Services and ACR Engineering, Inc. to determine which firm can provide the best value to the College and complete the project within the established completion dates. A contract will be submitted to the Chancellor for final approval and issuance with the highest ranking firm.

**IMPACT OF THIS ACTION**

LED lighting technology has been evolving over the last 10-15 years with prices and have become increasing competitive. Additionally, the added features of solid-state controllers, dimmability, wide range of light quality and intensity offerings, make LEDs an effective for the educational classroom environment. The longer lamp life and lowered heat output from LED systems will result in reduced energy expense from lower utility use and lowered cooling requirements while also reducing maintenance in the classrooms.

**Purchase Request #1  
Regular Board Meeting October 2, 2017  
Consideration of Approval of Method of Procurement and  
Authorization of Contract Award for LED Lighting Project**

**BUDGET INFORMATION (INCLUDING ANY STAFFING IMPLICATIONS)**

The estimated total expenditure for this project is not to exceed \$1,385,000. The expenditures will be recovered on a reimbursement basis from our corporate partner.

**MONITORING AND REPORTING TIMELINE**

The project will be completed in phases; the installation of 2,000 fixtures in Phase I will be completed by January 31, 2018, and Phase II to install the remaining balance will be completed by March 30, 2018. Facilities Services personnel will oversee the project.

**ATTACHMENTS**

None

**RESOURCE PERSONNEL**

Bryan Jones	281-998-6343	bryan.jones@sjcd.edu
Ann Kokx-Templet	281-998-6103	ann.kokx-templet@sjcd.edu
Angela Klaus	281-998-6327	angela.klaus@sjcd.edu

**Purchase Request #2**  
**Regular Board Meeting October 2, 2017**

**Consideration of Approval of Addition of Funds for Program Management Services**

**ADMINISTRATION RECOMMENDATION/REPORT**

The administration recommends the Board of Trustees approve additional funds for program management services provided by Rizzo & Associates, LLC for the North Campus Center for Industrial Technology (CIT).

**BACKGROUND**

Rizzo & Associates was engaged to provide project program management services for the North Campus Center for Industrial Technology. Their services include, but are not limited to, the development of project budgets and schedules, coordination of programming and site planning, preconstruction services administration, construction means and methods advising, management of design and construction, commissioning, and administration of follow-up warranty services.

In December 2015, the Board approved the full scope of work for Rizzo & Associates necessary to provide technical and administrative oversight for the project. As the project moves into the final phases of construction and close-out, that additional funding be approved to oversee the remaining close-out processes related to the project.

**IMPACT OF THIS ACTION**

Construction of the North Campus CIT project is substantially complete, with two subsequent lab modification projects in their final phases. Approval of this request will provide continued the project management during the project close-out.

**BUDGET INFORMATION (INCLUDING ANY STAFFING IMPLICATIONS)**

Previously the Board approved a total of \$627,873 for program management services. This includes both fees and reimbursables, which are comprised of the contractor's proportionate salaries expended on this project. The estimated additional amount required to complete the project is \$127,000. Funding will be provided from 2015 Revenue Bond funds.

**MONITORING AND REPORTING TIMELINE**

Program management services will be monitored by Facilities Services personnel and this project is scheduled to be complete and closed in December 2017.

**ATTACHMENTS**

None

**RESOURCE PERSONNEL**

Bryan Jones

281-998-6343

bryan.jones@sjcd.edu



**Purchase Request #2  
Regular Board Meeting October 2, 2017**

**Consideration of Approval of Addition of Funds for Program Management Services**

Ann Kokx-Templet  
Angela Klaus

281-998-6103  
281-998-6327

ann.kokx-templet@sjcd.edu  
angela.klaus@sjcd.edu

## **ADMINISTRATION RECOMMENDATION/REPORT**

The administration recommends the Board of Trustees approve the purchase of computers from Dell Financial Services and Apple Computer Inc. for the Information Technology Services (ITS) department.

### **BACKGROUND**

The College's 2008 Bond Program expanded facilities district wide, adding new Dell computers without a funded replacement cycle. Additionally, previous Apple computer purchases have occurred as funding allowed, without an allocated replacement budget. The Dell and Apple computers are used in both instruction and administration settings. They have aged beyond their recommended replacement cycle and will no longer have manufacturer maintenance support. ITS has reallocated equipment when possible to address computer failures; however the replacement of computers is needed.

Dell Financial Services has a contract through the Texas Department of Information Resources cooperative contracts program to provide computer leasing and equipment, Contract Number DIR-SDD-1951, and complies with the competitive procurement requirement in Section 44.031 of the Texas Education Code and is permitted through Section 791.011(g) of the Texas Government Code.

Apple Computer Inc. has a contract through the Texas Department of Information Resources cooperative contracts program to provide Apple branded products, including: laptops, desktops, tablets and portables, and a wide variety of other technology products, Contract Number DIR-TSO-3789, and complies with the competitive procurement requirement in Section 44.031 of the Texas Education Code and is permitted through Section 791.011(g) of the Texas Government Code.

### **IMPACT OF THIS ACTION**

Approval of this request will allow for the replacement of older equipment and increase the reliability of equipment used for instruction and administration purposes.

### **BUDGET INFORMATION (INCLUDING ANY STAFFING IMPLICATIONS)**

The estimated annual expenditure for the Dell request is \$125,000. The estimated total expenditure for the Apple request is \$615,000. Both expenditures are funded from the 2008 Bond Program.

### **MONITORING AND REPORTING TIMELINE**

The replacement of equipment will occur during the fiscal year 2018 and fiscal year 2019 fiscal periods. The equipment will be acquired in multiple batched orders to allow for communication, availability, prep, and installation to avoid any significant impact to ongoing

**Purchase Request #3**  
**Regular Board Meeting October 2, 2017**  
**Consideration of Approval to Purchase Computers**

operations.

**ATTACHMENTS**

None

**RESOURCE PERSONNEL**

Allen Bourque	281-922-3494	allen.bourque@sjcd.edu
Charity Simpson	281-998-6328	charity.simpson@sjcd.edu

**Item "A"**  
**Regular Board Meeting October 2, 2017**  
**Approval of the Minutes for the September 11, 2017**  
**Board Workshop and Regular Board Meeting**

**RECOMMENDATION**

The Chancellor requests that the Board of Trustees approve the minutes for the September 11, 2017, Board Workshop and Regular Board Meeting.

**San Jacinto College District Board Workshop  
September 11, 2017  
District Administration Building, Suite 201**

**MINUTES**

	<b>Board Workshop Attendees:</b>	<b>Board Members:</b> Erica Davis Rouse, Marie Flickinger, Dan Mims, John Moon, Jr., Dr. Ruede Wheeler, Larry Wilson <b>Board Members Absent:</b> Keith Sinor  <b>Chancellor:</b> Brenda Hellyer <b>Others:</b> Chet Lewis, Mandi Reiland, Steve Trncak, Laurel Williamson
	<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 4:46 p.m.
<b>II.</b>	<b>Roll Call of Board Members</b>  <b>Absent:</b>	Erica Davis Rouse (arrived during closed session), Marie Flickinger, Dan Mims, John Moon, Jr., Dr. Ruede Wheeler, Larry Wilson  Keith Sinor
<b>III.</b>	<b>Adjournment to closed or executive session pursuant to Texas Government Code Section 51.074 of the Texas Open Meetings Act, for the following purposes: Personnel Matters</b>	Adjourned to closed session at 4:47 p.m.  Brenda Hellyer was present for the closed session.  a. Personnel Matters - For the purpose of considering the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear complaints or charges against a public officer or employee. - Validation of evaluation ratings for members of the Strategic Leadership Team - Other Personnel Matters
<b>IV.</b>	<b>Reconvene in Open Meeting</b>	Reconvened in open meeting at 6:06 p.m.
<b>V.</b>	<b>Property Tax Discussion and Vote</b>	Chet Lewis gave an overview of the Property Tax discussion presentation. Chet explained the basic terms

	<p><b>to Place a Proposal for the Adoption of an Ad Valorem Tax Rate at a Future Meeting</b></p>	<p>involved in property tax basics. The Property Tax Rate consists of the Maintenance and Operation (M&amp;O) Rate and the Debt Tax Rate. The Effective Tax Rate is a calculation that essentially provides the same total revenue as the prior year on the same taxable valuations. The Rollback Rate is a combined rate of the Effective Tax Debt Rate and a M&amp;O rate that is eight percent (8%) higher than the Effective Tax M&amp;O Rate.</p> <p>Chet reviewed the current 2016 rate that supports the Fiscal Year (FY) 2016 budget is \$0.182379 per \$100 of valuation. The M&amp;O rate is \$0.129194 per \$100 of valuation. The Debt Rate is \$0.053185 per \$100 of valuation. He also explained the property tax history for the last three years for San Jacinto College and the effect of the preparation and approval of the 2015 Bond Program on the tax rates. Brenda Hellyer explained that in preparation in 2014 for the 2015 Bond, she promised the community that we would not raise the tax rate more than three cents.</p> <p>Chet explained the effective tax and rollback tax rates which are as follows:</p> <p>Effective Tax Rate -</p> <ul style="list-style-type: none"> <li>• The Effective Property Tax Rate consists of a Maintenance and Operation (M&amp;O) Rate and the Debt Tax Rate.</li> <li>• The 2017 Effective Tax Rate is \$0.183335 per \$100 of valuation</li> <li>• The 2017 Effective M&amp;O Tax Rate is \$0.128840 per \$100 of valuation</li> <li>• The 2017 Effective Debt Service Rate is \$0.054495 per \$100 of valuation</li> </ul> <p>Rollback Tax Rate -</p> <ul style="list-style-type: none"> <li>• The Rollback Property Tax Rate consists of a Maintenance and Operation (M&amp;O) Rate and the Debt Tax Rate.</li> <li>• The 2017 Rollback Tax Rate is \$0.194756 per \$100 of valuation</li> <li>• The 2017 Rollback M&amp;O Tax Rate is \$0.140261 per \$100 of valuation</li> <li>• The 2017 Rollback Debt Service Rate is \$0.054495 per \$100 of valuation</li> </ul>
--	--	--

	<p>Chet reviewed the taxable valuations for 2016 and 2017. The total taxable valuation was \$50.64 billion for 2016 and \$52.44 billion for 2017, which is a difference of \$1.80 billion, or 3.6 percent. Chet noted the portions that are protested as well as those that are not under protest.</p> <p>Dr. Wheeler asked what is anticipated due to Hurricane Harvey. Chet explained that it is too early to predict the effect on assessed values, but many properties were affected by the storm. He stated the impact depends if the house is repairable or destroyed. Those that are repairable will stay on our tax roll, and those that were destroyed will not. We will know more in the next few months and provide updates to the Board as needed.</p> <p>Dr. Wheeler asked if industry or businesses shut down, will effect San Jacinto College's property values. Chet answered that if the businesses and properties are still viable and working, they will stay on our tax roll.</p> <p>Larry Wilson asked what happens if repairs are not finalized by January 1<sup>st</sup>. Chet explained that the tax rates will shift based on residential areas that are under repair, and we will continue to closely monitor this.</p> <p>Chet reviewed the proposed property tax rate of \$0.183 and noted that the proposed rate for 2017 is very close to the tax rate for 2016. The Adjusted Debt Service Requirements and the 2017 Debt Tax Revenue are the same because the 2017 certified anticipated collection rate is 100.00%, as reported from the Harris County Tax Assessor-Collector's office. The Total Proposed Tax Rate is \$0.18335 which includes the 2017 Debt Tax Rate of \$0.054495 and the same M&amp;O rate as last year of \$0.128840. The budgeted M&amp;O tax revenue for FY 2017 is \$66,740,000. The FY 2017 M&amp;O tax revenue is \$67,561,309 which is a difference of only \$821,309 from the budgeted amount.</p> <p>Chet explained that the proposed rate equals the effective tax rate so no action is necessary by the Board tonight, if the Board agrees to the proposed tax rate. On September 15<sup>th</sup>, the College will publish the effective and rollback tax rates, statement, and schedules. The members of the Board saw no issues, and it is anticipated that the Board will adopt the effective tax rate at the next regular meeting on October 2, 2017.</p>
--	---

<p><b>VI.</b></p>	<p><b>Review Proposed 2008 Bond Contingency Purchases</b></p>	<p>Brenda explained that in April 2017, the Board reviewed possible uses for the remaining contingency from the 2008 Bond Program. When we went through the 2017-2018 budget process, there were several recommendations that were brought forward. These recommendations have been reviewed with the Finance Committee and are coming forward for the full Board to review so that we can continue to move the purchases forward. Chet explained that some of the purchases are in process and some will begin at a future date. Chet stated that each campus identified the need for funds for equipment for various programs. The majority of the remaining dollars of approximately \$3 million will be used for various equipment, software, switches related to information technology projects and required upgrades. Brenda said Chet is working on a budget model that includes recurring costs and schedule models for this type of equipment. Replacement in the future. It is not recommended to use bond dollars for these type of purchases because they have replacement needs of every four to six years.</p>
<p><b>VII.</b></p>	<p><b>Review Disaster Recovery Actions</b></p>	<p>Brenda reviewed the current enrollment. Enrollment is up 3.9 percent or approximately 1200 students from last year. Unduplicated students totals 31,589. During the recovery efforts we have been focusing heavily on maintaining enrollment, and with classes underway we will be focused on student success through retaining students and completion.</p> <p>Larry Wilson asked why technical enrollment at central campus is down so much. Brenda explained that we are not taking additional enrollment in the aeronautical program and the fire protection cohort runs on the funding years so there is no new enrollment currently. Nondestructive testing and electrical enrollments are down because we were unable to get faculty member for both programs. Nursing had been down slightly but is coming back. Brenda and Laurel reviewed several programs that alternate cohort start dates which cause enrollment to go up one year for one campus and down for another (i.e. cosmetology).</p> <p>Brenda explained that the dual credit and early college high school enrollment is up significantly causing the majority of the enrollment growth for this year. . We built this growth into our revenue models, and as previously discussed,</p>



		<p>Chet's focus this year is on reviewing the models for dual credit and early college high schools.</p> <p>Dr. Wheeler asked if North Campus focuses heaviest on technical. Brenda said it used to be Central that had the heaviest focus but now more it has shifted to North Campus. Laurel also clarified that a technical degree program also includes core academic courses so there are impacts in both areas with enrollment changes.</p> <p>Chet reviewed the facilities damage and stated the insurance claims have been made. Overall, the College had minimal or minor damage. The majority of the risk was at the North campus due to rising water approaching the main tie to CenterPoint. A decision was made to shut down electricity at this campus. This caused additional days to remove water and get the campus back up and running.</p> <p>He explained he estimated total cost for all damage is approximately \$1 million. The majority of this will be covered by insurance claims (if deductibles are met) and the remaining portion should be eligible for FEMA coverage.</p> <p>Brenda reviewed other disaster recovery items which are as follows:</p> <ul style="list-style-type: none"><li>• Waived childcare fees during closure.</li><li>• Employees received closure pay from the time we closed the Friday before the storm through the following week. This was in compliance with the College policy on closures. She stated that the administration recommends making revisions to the policies to make things clearer and easier in these situations.</li><li>• Over the closure period, there were employees that were needed on campus to work on repairs, security, payroll, etc. These employees were compensated in addition to the closure pay.</li><li>• Upon reopening, employees who were affected by the storm were approved to use up to 60 hours of sick pay for repairs on houses and 24 hours of the sick leave could be used for childcare needs while the school districts were still closed.</li></ul>
--	--	--

		<ul style="list-style-type: none"> <li>• The start date of classes was delayed until September 6, 2017.</li> <li>• Adjustments were made to payment plans, registration was extended until the first day of classes, and the time period for 100% refunds was extended based on extenuating circumstances.</li> </ul> <p>Laurel Williamson reviewed the instructional recovery plan. She stated the model used was very similar to the model implemented after Hurricane Ike. Alternate assignments, hybrid models, online activities, and outside of class assignments will be used in lieu of extending the semester to cover lost days. Faculty who were here during Ike recovery are coaching those who have not been through this model. Instructional plans for classes and programs are being stored on Blackboard so they are accessible to anyone who needs them as a tool for how to accomplish this.</p> <p>Brenda stated that she and Laurel had a conference call with the Faculty Senate officers prior to any decision being made on the go forward plan to ensure they were comfortable. They (Bill Wolfe, Cristina Cardenas, and Amy Austin) agreed unanimously to support the recovery plan with no extension of the semester.</p> <p>Laurel stated that there were no withdrawals from the SmartStart pilot program of 314 students.</p> <p>Brenda explained that start dates for each of the independent school districts (ISDs) in our area. Pam Campbell and Bill Raffetto met with Sheldon ISD representatives in order to support and provide space as they continue to develop the plan for high school students. Most likely several hundred will be housed at the North Campus for a period of time.</p> <p>Brenda stated that Steve Trncak has been working with Ruth Keenan in the Foundation on the relief fund of approximately \$20,000 for employees and a larger portion for students. They are working through an application process. Barnes and Noble and several publishers have made donations of gift cards and textbooks to help students.</p> <p>Brenda commented that the Maritime Center property will be supporting a few campers and trailers. A company from Illinois is repairing homes in La Porte. They are doing the</p>
--	--	---

		<p>work for Marquette Maritime, which is led by Chad Pregracke who was one of the CNN top ten heroes of 2013 for work on Hurricane Katrina.</p> <p>Brenda explained that we are still working on other leads of how the College can support recovery efforts.</p>
<b>VIII.</b>	<b>Review of Calendar</b>	<p>Brenda Hellyer reviewed the calendar with the Board. The group discussed the upcoming ACCT Leadership Congress travel itinerary and voting delegates. It was determined that Marie Flickinger and Larry Wilson would be voting delegates.</p> <p>Brenda reminded the group that flu shots will be available prior to the workshop on October 2, 2017.</p> <p>Brenda explained that due to the hurricane relief efforts, the golf tournament may be postponed.</p>
<b>IX.</b>	<b>General Discussion of Meeting Items</b>	<p>Brenda asked if any of the member had questions regarding the Board book. There were no questions.</p>
<b>X.</b>	<b>Adjournment</b>	<p>Workshop adjourned at 6:59 p.m.</p>

**San Jacinto College District  
Regular Board Meeting Minutes**

**September 11, 2017**

**The Board of Trustees of the San Jacinto Community College District met at 7:00 p.m., Monday, September 11, 2017, in Room 104 of the Thomas S. Sewell District Administration Building, 4624 Fairmont Parkway, Pasadena, Texas, for the Regular Board Meeting.**

**Board of Trustees:** Erica Davis Rouse, Assistant Secretary  
Marie Flickinger, Chair  
Dan Mims, Vice Chair  
John Moon, Jr.  
Dr. Ruede Wheeler  
Larry Wilson

**Absent:** Keith Sinor, Secretary

**Chancellor:** Brenda Hellyer

**Others Present:** Joshua Banks Alexander Okwonna  
Michelle Callaway Jeff Parks  
Pam Campbell Pat Pollard  
Cristina Cárdenas Bill Raffetto  
Larry Claflin Shelley Rinehart  
Janet Cowey Martha Robertson  
Teri Crawford Kelly Simons  
Susanne DeBlanc Debbie Smith  
Chris Duke Danny Snooks  
Ken English John Stauffer  
George González Janice Sullivan  
Rebecca Goosen Steve Trncak  
Allatia Harris Van Wigginton  
Claire Iannelli Laurel Williamson  
Sallie Kay Janes Joanna Zimmermann  
Mark Johnson  
Brenda Jones  
Bryan Jones  
Ruth Keenan  
Tami Kelly  
Ann Kokx-Templet  
Chet Lewis  
Kevin Morris

<b>Call the Meeting to order:</b>	Chair Marie Flickinger called the Regular Meeting of the Board of Trustees to order at 7:08 p.m.
<b>Roll Call of Board Members:</b>	Erica Davis Rouse Dan Mims John Moon, Jr. Dr. Ruede Wheeler Larry Wilson
<b>Absent:</b>	Keith Sinor
<b>Invocation and Pledges to the Flags:</b>	The invocation was given by Dr. Brenda Jones. The pledges to the American flag and the Texas flag were led by John Moon, Jr.
<b>Special Announcements, Recognitions, and Presentations:</b>	There were no special announcements, recognitions, or introductions.
<b>Student Success Presentations:</b>	1. Van Wigginton and Michelle Callaway presented an update on Spring 2017 Course Retention and Success.
<b>Communications to the Board:</b>	<ol style="list-style-type: none"> <li>1. A thank you was sent to the Board from Cristina Cárdenas, for the plant sent in memory of her father.</li> <li>2. A thank you was sent to the Board from Sara Stegall, for the plant sent in memory of her grandfather.</li> <li>3. A thank you was sent to the Board from Kathy Westmoreland, for the plant sent in memory of Louis Westmoreland.</li> <li>4. A thank you was sent to the Board from Steve Coycault, for the plant sent in memory of his wife, Marilyn.</li> <li>5. A thank you was sent to the Board from Rob Stanicic, for the plant sent in memory of his mother.</li> </ol> <p>Dr. Brenda Hellyer acknowledged the efforts of the College community in the recovery from Hurricane Harvey. She thanked the Board, Strategic Leadership Team, Administrators, Faculty, Staff, and other community members for their continued support and dedication to student success.</p>
<b>Hearing of Such Citizens or Groups of Citizens Desiring to be Heard Before the Board:</b>	There were no citizens desiring to be heard before the Board.
<b>Informative Reports:</b>	Marie Flickinger indicated such reports were in the Board documents.

**Motion 9807  
Consideration of  
Approval of  
Amendment to  
the 2017-2018  
Budget for  
Restricted  
Revenue and  
Expenses Relating  
to Federal and  
State Grants**

Motion was made by Larry Wilson, seconded by Dr. Ruede Wheeler, for Approval of Amendment to the 2017-2018 Budget for Restricted Revenue and Expenses Relating to Federal and State Grants.

**Motion Carried.**

**Yeas:** Davis Rouse, Mims, Moon, Jr., Wheeler, Wilson

**Nays:** None

**Motion 9808  
Consideration of  
Approval of  
Interlocal  
Agreement  
between San  
Jacinto  
Community  
College District  
and Houston  
Community  
College System**

Motion was made by Erica Davis Rouse, seconded by John Moon, Jr., for approval of the Interlocal Agreement between San Jacinto Community College District and Houston Community College System.

**Motion Carried.**

**Yeas:** Davis Rouse, Mims, Moon, Jr., Wheeler, Wilson

**Nays:** None

**Motion 9809  
Consideration of  
A Resolution for  
Casting A Ballot  
For The  
Nomination Of A  
Person To the  
Board of  
Directors Of The  
Harris County  
Appraisal District**

Motion was made by John Moon, Jr., seconded by Dr. Ruede Wheeler, for Approval of a Resolution for Casting a Ballot for the Nomination of a Person to the Board of Directors of the Harris County Appraisal District.

**Motion Carried.**

**Yeas:** Davis Rouse, Mims, Moon, Jr., Wheeler, Wilson

**Nays:** None

**Motion 9810  
Consideration of  
Purchasing  
Requests**

Motion was made by Larry Wilson, seconded by Dan Mims, for approval of the purchasing requests.

RFP #17-18  
Disaster Recovery Services \$ -

RFP #18-02  
Trash Disposal Services 250,000

CMR #18-03  
Construction Manager-at-Risk for South Campus

Engineering & Technology Building	1,244,726
IFB #18-07 Enterprise Term License Agreement for Adobe Products	119,770
Purchase Request #1 Purchase Robots for the Advanced Manufacturing Lab at the North Campus Center for Industrial Technology	90,540
Purchase Request #2 Commissioning Services for Central Campus Welcome Center Building	116,200
Purchase Request #3 Purchase Network and Wireless Equipment	<u>1,461,000</u>
<b>TOTAL OF PURCHASE REQUESTS</b>	<b>\$3,282,236</b>

**Motion Carried.**

**Yeas:** Davis Rouse, Mims, Moon, Jr., Wheeler, Wilson

**Nays:** None

**Motion 9811  
Consent Agenda**

Motion was made by Dr. Ruede Wheeler, seconded by John Moon, Jr., to approve the consent agenda.

**Motion Carried.**

**Yeas:** Davis Rouse, Mims, Moon, Jr., Wheeler, Wilson

**Nays:** None

**Adjournment:**

Meeting Adjourned at 7:27 p.m.

## **ADMINISTRATION RECOMMENDATION/REPORT**

The administration recommends that the Board of Trustees approve budget transfers for 2016-2017 which have been made in accordance with State accounting procedures.

### **BACKGROUND**

Adoption of the budget by the Board of Trustees in August of each year serves as the authorization to expend funds for the next fiscal year. The budget is adopted by functional classification (or cost elements: Instruction, Academic Support, Student Services, Institutional Support, and Operation and Maintenance of Plant) as defined by the National Association of College and University Business Officers (NACUBO). Realizing that the budget is a viable document that reflects the evolving needs of the College in terms of meeting goals and objectives, occasional movement of budgeted funds between cost elements is desirable and warranted. The budget transfers under consideration represent previously authorized expenditures that are requested to be reclassified from one cost element to another cost element.

### **IMPACT OF THIS ACTION**

Approval of the budget transfers will allow the College to more effectively utilize existing resources in fulfilling its instructional objectives.

### **BUDGET INFORMATION (INCLUDING ANY STAFFING IMPLICATIONS)**

This request is a reclassification of existing authorizations.

### **MONITORING AND REPORTING TIMELINE**

None

### **ATTACHMENTS**

Attachment 1 – Budget Transfers

### **RESOURCE PERSONNEL**

Chet Lewis

281-998-6306

chet.lewis@sjcd.edu



SAN JACINTO COLLEGE DISTRICT  
 Budget Transfers For The October 2, 2107 Board Meeting  
 Fiscal Year 2017-2018

ELEMENT OF COST	DEBIT	CREDIT
<b>DISTRICT</b>		
INSTRUCTION	-	-
PUBLIC SERVICE	-	-
ACADEMIC SUPPORT	-	500
STUDENT SERVICES	500	-
INSTITUTIONAL SUPPORT	38,915	141,487
PHYSICAL PLANT	20,000	-
AUXILIARY ENTERPRISES	-	-
<b>CENTRAL</b>		
INSTRUCTION	65,262	-
PUBLIC SERVICE	-	-
ACADEMIC SUPPORT	-	-
STUDENT SERVICES	-	-
INSTITUTIONAL SUPPORT	-	-
PHYSICAL PLANT	-	-
AUXILIARY ENTERPRISES	-	-
<b>NORTH</b>		
INSTRUCTION	6,666	-
PUBLIC SERVICE	-	-
ACADEMIC SUPPORT	-	-
STUDENT SERVICES	-	-
INSTITUTIONAL SUPPORT	-	-
PHYSICAL PLANT	-	-
AUXILIARY ENTERPRISES	-	-
<b>SOUTH</b>		
INSTRUCTION	10,871	-
PUBLIC SERVICE	-	-
ACADEMIC SUPPORT	-	576
STUDENT SERVICES	350	-
INSTITUTIONAL SUPPORT	-	-
PHYSICAL PLANT	-	-
AUXILIARY ENTERPRISES	-	-
	<b>142,563</b>	<b>142,563</b>

These transfers reflect adjustments of budgetary allocations between campuses and departments.

**RECOMMENDATION**

The administration recommends that the Board approve the following Affiliation Agreements:

**South Campus**

Department

Physical Therapist Assistant Program  
And Occupational Therapy Assistant  
Program

Affiliation Entity

Clear Lake Institute for Rehabilitation, LLC  
dba PAM Rehabilitation Hospital of Clear Lake

**North Campus**

Department

Nursing Program

Affiliation Entity

Courtyards of Pasadena

Nursing Program

Wallisville Healthcare, Inc. dba Legend Oaks  
Healthcare and Rehabilitation Center

Nursing Program

Magnolia Place Health Care, L.L.P.

Mental Health Program

Kemah Palms Recovery, LLC

**RATIONALE**

The Affiliation Agreements were reviewed by the College's external legal counsel.

**FISCAL IMPLICATIONS TO THE COLLEGE**

N/A

**CONTACT PERSONNEL**

Daniel J. Snooks, Attorney

Laurel Williamson

281-998-6184

laurel.williamson@sjcd.edu

**Item “E”**  
**Regular Board Meeting October 2, 2017**  
**Approval of the Next Regularly Scheduled Meeting**

**RECOMMENDATION**

The next regularly scheduled meeting of the Board of Trustees will be Monday, November 6, 2017.