

**AMARILLO COLLEGE BOARD OF REGENTS
MINUTES OF SPECIAL BOARD MEETING
December 13, 2016**

REGENTS PRESENT: Ms. Michele Fortunato, Chair; Dr. Paul Proffer; Vice-Chair; Mr. Jay Barrett, Ms. Anette Carlisle; Mr. Johnny Mize; Dr. Neal Nossaman; Dr. David Woodburn

REGENTS ABSENT: Mr. Dan Henke, Secretary; Mr. Patrick Miller

CAMPUS REPRESENTATIVES PRESENT: Mr. Michael Kitten, Representative for the Hereford Campus

CAMPUS REPRESENTATIVES ABSENT: Mr. Mike Running, Representative for the Moore County Campus

OTHERS PRESENT: Ms. Cara Crowley, Chief of Staff; Dr. Russell Lowery-Hart, President; Mr. Steve Smith, Vice President of Business Affairs; Mr. Mark White, Executive Vice President and General Counsel

Ms. Jennifer Ashcraft – Grant Administration Coordinator
Ms. Joy Brenneman – Exec. Asst., Pres's Off. and Asst. Secy. to the Board of Regents
Ms. Teresa Clemons – Senior Director of Grants
Ms. Lani Hall – Auditor from Connor, McMillon, Mitchell & Shennum, PLLC
Ms. Michelle Liscano – Representative from Connor, McMillon, Mitchell & Shennum, PLLC
Mr. Jamie Perez – Grants Administrative Coordinator

SPECIAL BOARD MEETING

The Special Meeting was called to order at 12:08 p.m. by Ms. Michele Fortunato, Chairman of the Board of Regents.

WELCOME

Ms. Fortunato welcomed all in attendance and thanked them for coming to this special meeting.

PUBLIC COMMENTS

Ms. Fortunato asked for public comments. There were none.

MINUTES APPROVED

Minutes of the regular meeting of November 15, 2016 had been provided to the Regents prior to this meeting. There was no discussion.

Ms. Carlisle moved, seconded by Mr. Barrett, to approve the minutes. The motion carried unanimously.

2015-2016 ANNUAL GRANTS REPORT

Mr. White introduced Teresa Clemons, Jamie Perez, and Jennifer Ashcraft who coordinate Amarillo College's grants and stated the college should be very proud of the work done this past year. The grant report is attached at pages 81 and 82.

Minutes of the Amarillo College Board of Regents Special Meeting of December 13, 2016

Ms. Clemons highlighted some the more notable grants including a Hispanic Serving Institution grant that will fund a greenhouse to be used predominantly in the biology and science programs. She noted that Amarillo College is waiting to hear about a new STEM grant from the National Science Foundation. AC made the final cut and has provided additional information requested. If this grant is received it will begin in the Fall of 2017. She discussed briefly the Perkins grant program which funds Technical Education program equipment. Grant funding over the past year has been a team effort with assistance from across the college. Compared to the last two years, the college has seen tremendous growth in grants. Last year was the top of the 5-year cycle for federal grants and there was much grant activity.

No action was taken on this item.

INDEPENDENT AUDIT REPORT FOR 2015-2016

Lani Hall of Connor, McMillon, Mitchell & Shennum, PLLC began her report by acknowledging grants and the hard work they had done through the year to be sure the college was in compliance. She stated the audit went very well in spite of all the recent changes to the Business Office and with a new auditor. She credited Mr. Steve Smith, the Business Office, and Grants Accounting.

Ms. Hall provided the Board and others present with a copy of the Annual Financial Report noting that this was a tentative draft and the final report would be forthcoming in January 2017. She reviewed selected portions of the document.

- Page 3 is the Independent Auditor's Report and discusses the different sections in the complete report.
- Page 18 – total assets reflects a decrease of \$7.2M partly due to a change in the way accounts receivables for financial aid have changed this year. Cash and cash equivalents is down \$4M. The deferred outflow item relates to bond refunding and the net pension liability of \$4.7M which includes the buy-outs and retirements last year. Liabilities show a decrease of \$3.5M which is also due in part to financial aid accounting changes. The total net position is now \$1.3M which is down from last year and is attributed to the net pension.
- Page 29 – NOTE 5-FAIR VALUE MEASUREMENTS was just added to governmental units and is intended to level an entities' investments based on how risky they might be.
- Page 36 – BONDS PAYABLE. As the result of the advance refunding, the District reduced its total debt service requirements by \$1,190,831, which resulted in an economic gain of \$1,008,316. NOTE 10-EMPLOYEES RETIREMENT PLANS discusses the net pension liability and the fact that AC makes a payment to the State while still carrying the liability on the books. Should the State not be able to meet its obligation, the college would become liable for the pensions of retirees. Information from the IRS runs one year behind. Amarillo College is a small percentage of all State liability and the discount rate used to measure the total pension liability was 8%.
- Page 54 – GASB Statement No. 78 addresses *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and will be the next thing to affect Amarillo College
- Page 58 provides required supplementary information.
- Page 64 is additional supplementary information received from TAECB. More information can be found on the Statement of Activity.
- Page 69 lists Expenditures of Federal Awards of \$31M, \$1.1M of which is financial aid.
- Page 71 reflects \$1.6M in expenditures of State of Texas awards which is down from last year.
- Page 75 indicates that the auditors found no deficiencies in internal control that could be considered a material weakness, nor did they find any instance of noncompliance.

Minutes of the Amarillo College Board of Regents Special Meeting of December 13, 2016

- Page 79 is the letter of compliance.
- Pages 81–83 discuss and summarize two findings, both in the area of Financial Aid. One incident was a timing issue related to the Annual Report. This has been corrected with a journal entry and the process has been changed to avoid this in the future. The other involved an eligible Pell grant summer student who had defaulted on a loan and has since been resolved. Ms. Hall noted that the Director of Financial Aid, Kelly Prater, does an outstanding job.
- Page 89 reflects that all finding from the previous year have been resolved.
- Beginning on Page 91 is the statistical supplement provided by Amarillo College to the auditors which is reviewed but not audited. In this report it is noted that financial aid is now released to students earlier in August before the close of year-end and that payroll has now been moved from HR to the Business Office.

Ms. Hall also noted that the threshold for grants to be audited has been raised to \$750,000 thereby lowering the number of grants requiring an audit.

Ms. Hall stated that if the draft audit report is approved, her firm will prepare a Final report.

Ms. Carlisle moved, seconded by Dr. Proffer, to approve the Audit Report for 2015 – 2016. The motion carried unanimously.

CLOSED MEETING

There was no closed meeting during this Special Board meeting.

ADJOURNMENT

The meeting was adjourned at 1:00 p.m.

Daniel E. Henke, Secretary

TO: Mark White, Executive Vice President Institutional
Advancement & General Counsel

FROM: Teresa Clemons, Senior Director of Grants

DATE: December 9, 2016

SUBJECT: FY 2016 Grant Development Activity Report



During FY 2016, Amarillo College had another successful year of grant development. Many departments across several divisions worked collaboratively with the Grants Department to achieve one of AC's most successful years for grant awards.

AC submitted 9 proposals (please see attached detail report)

Number Submitted	Type	Number Awarded	Success Rate	
4	State	3	75%	
2	Federal	1	50%	See note
3	Local/Private	3	100%	
9	Totals	7	78%	Overall Success Rate

Collectively, the new awards will provide **\$8,029,101** of support over the next five years.

Note: the NSF grant is pending and expected to be awarded (AC moved to the final review stage); if awarded the federal success rate will be 100%, the overall success rate will be over 88%, and the total awards will exceed 8.6 million

Minutes of the Amarillo College Board of Regents Special Meeting of December 13, 2016

Amarillo College Grant Development Activity FY2016

Project / AC Project Title	Grant Name	Short Name	Funding Agency	Date Submitted	Date	\$ Requested	\$ Awarded	Notification Date	Grant Start	Grant End	Notes	Status
Perkins Basic	Perkins Basic	Perkins	Federal pass-through: Texas Higher Education Coordinating Board (THECB)	n/a	n/a	n/a	\$127,122	n/a	9/1/2015	8/31/2016	Additional 2015-2016 award provided from reallocation funding - performance based	Closed
Legal Student Internships with Community Legal Clinics	Texas Bar Foundation Annual Grant	Texas Bar	Texas Bar Foundation - private foundation	1/14/2016	1/14/2016	\$25,000	\$25,000	4/22/2016	4/22/2016	4/21/2017		Active
Houston Community College System - Career Pathways Service Agreement	2016-2017 Career Pathways Expansion	HCC Career Pathways	Texas Workforce Commission (TWC)	n/a	n/a	n/a	\$100,000	2/1/2016	2/1/2016	1/31/2017	HCC is the recipient of the award from TWC; HCC made a sub-award to AC	Active
Bridges for the Nontraditional Gender	Perkins Statewide Leadership	PSL	Federal pass-through: Texas Higher Education Coordinating Board (THECB)	5/5/2016	5/5/2016	\$45,000	\$45,000	8/15/2016	9/1/2016	8/31/2017	Annual submission	Active
Panhandle Pipeline (P2)	NSF S-STEM Scholarship Grant	S-STEM	National Science Foundation (NSF)	5/16/2016	5/16/2016	\$622,249					Proposed for new round of S-STEM scholarship funding - 5 year grant 1st notice received; proposal is in final review of AC grant mgmt structure	Pending
Engaging in STEM	Title III - HSI STEM	HSI STEM Conservatory	US Department of Education (DOE)	5/30/2016	5/30/2016	\$4,915,613	\$4,915,613	9/27/2016	10/1/2016	9/30/2021	5 year grant starting Oct. 1, 2016	Active
JET Respiratory Care	Jobs for Every Texan	JET	Texas Workforce Commission (TWC)	6/9/2016	6/9/2016	\$193,325	n/a	9/23/2016	n/a	n/a	1 year equipment grant	Declined
Adult Education and Literacy	AEL Service Delivery	AEL	Texas Workforce Commission	n/a	n/a	n/a	\$1,144,661	7/1/2016	7/1/2016	6/30/2017	Continuation funding for year three	Active
CSRM Integrated Pathways and DE Acceleration	Comprehensive College Readiness and Success Models for 60x30TX	CSRM	Texas Higher Education Coordinating Board (THECB)	7/8/2016	7/8/2016	\$904,000	\$904,000	8/11/2016	8/15/2016	8/31/2018	New type of grant: pay for completion performance	Active
AC Kids' College 79107 Classes	Community Youth Development Services for 79107	CYD FY2017	Sub-award from United Way of Amarillo & Canyon (state funding)	7/14/2016	7/14/2016	\$123,750	\$123,750	8/23/2016	9/1/2016	5/31/2017	Texas Dept. of Family and Protective Services program for 79107 zip code continuation funding	Active
Perkins Basic	Perkins Basic	Perkins	Federal pass-through: Texas Higher Education Coordinating Board (THECB)	7/19/2016	7/19/2016	\$593,955	\$593,955	8/17/2016	9/1/2016	8/31/2017	Annual submission	Active
Technical Education Pathway Acceleration	TG Clarifying Pathways through Collaboration Grant	TG - Tech Dual Credit	TG Philanthropy	7/17/2016	7/17/2016	\$50,000	\$50,000	9/16/2016	11/1/2016	4/30/2018		Active
							\$8,029,101	In new awards				
Center for Continuing Healthcare Education Equipment	Equipment Loan	AHEC	Panhandle AHEC through interlocal agreement with WTAMU	n/a	n/a	n/a	\$4,094	n/a	7/1/2016	n/a	loan for useful life of the equipment; cash equivalency value	Active
Texas School Ready!	UTHSC at Houston Department of Pediatrics	TSR	Texas Education Agency and Texas Workforce Commission	n/a	n/a	n/a	\$151,204	n/a	9/1/2016	8/30/2017	continuation of sub-award with cash equivalency value	Active