

Minutes of the Amarillo College Board of Regents Budget Retreat and Special Board Meeting of July 21, 2021

**AMARILLO COLLEGE BOARD OF REGENTS
MINUTES OF BOARD BUDGET RETREAT AND SPECIAL BOARD MEETING
July 21, 2021**

REGENTS PRESENT: Mr. Johnny Mize, Chair; Mrs. Anette Carlisle, Vice-Chair; Mr. Jay Barrett, Secretary; Ms. Michele Fortunato; Ms. Sally Jennings; Dr. Paul Proffer; Ms. Peggy Thomas; Dr. David Woodburn

REGENTS ABSENT: Mr. John Betancourt

CAMPUS REPRESENTATIVES PRESENT: Ms. Ronda Crow, Representative for the Moore County Campus; Ms. Sara Pesina, Representative for the Hereford Hinkson Memorial Campus

CAMPUS REPRESENTATIVES ABSENT: None

OTHERS PRESENT: Mr. Bob Austin, Vice President of Enrollment Management; Mr. Kevin Ball, Vice President of Communications and Marketing; Dr. Tamara Clunis, Vice President of Academic Affairs; Ms. Cara Crowley, Vice President of Strategic Initiatives; Ms. Cheryl Jones, Vice President of Human Resources; Dr. Russell Lowery-Hart, President; Mr. Chris Sharp, Vice President of Business Affairs; Mr. Joe Bill Sherrod, Vice President of Institutional Advancement; and Ms. Denese Skinner, Vice President of Student Affairs; Mr. Mark White, Executive Vice President and Athletic Director

Ms. Joy Brenneman – Exec. Asst., President’s Office/Asst. Sec. to the Board of Regents
Mr. Zack Coleman – AC Police Officer
Mr. David Gay – Amarillo Globe News
Ms. Laura Geiger – Administrative Clerk, President’s Office
Ms. Judy Jackman – Retiree
Mr. James Johnson – Community Member
Ms. Jeanette Nelson – Budget Manager, Business Office
Mr. Jesse Pfrimmer – Community Member
Dr. Tim Revell – Community Member
Ms. Martha Sell – Community Member
Mr. Danny Smith – Master Plan Program Manager
Mr. Jack Thomas – Regent Thomas’s spouse
Mr. Collin Witherspoon – Executive Director of Institutional Research

BOARD BUDGET RETREAT

The Board Budget Retreat was called to order at 3:05 p.m. by Mr. Johnny Mize, Chairman of the Board of Regents. He welcomed those in attendance. A quorum was present.

PRAYER

Dr. Russell Lowery-Hart provided the prayer.

BOARD OPERATION PROCEDURES

Mr. White discussed the term by-laws for Regents/Trustees as used in some statutes. At Amarillo College these are the same as the Board Policy Manual. In April of 2017 internal Board Operating Procedures were adopted. Pursuant to the Texas Open Meetings Act, Board meetings are public. This is different than the Public Information Act that which states that college business is public

Minutes of the Amarillo College Board of Regents Budget Retreat and Special Board Meeting of July 21, 2021

information. All meetings are recorded, however the minutes approved by the Regents at a subsequent meeting are the official record of all actions taken by the Board. He encouraged the Regents to review them carefully and request any corrections prior to approval. If a Regent would like to request to put an item on the agenda, they may email the President who will discuss the request with the Board chair. The consent agenda is governed by Roberts Rule of Order and is used to save time for approving regular, non-controversial items, in one agenda item. A regent may ask the chair to remove an item from the consent agenda and place it on the regular agenda as a separate item. Mr. White also explained the process for closed sessions. Only certain provisions allow for a closed session and the chair decides who will stay. The sessions are not recorded and are confidential. A certified agenda/summary is prepared and is kept in the President's office. No final decision, action, or vote may be taken in a closed session. If action is to be taken, it will take place after the open meeting reconvenes. Closed sessions are usually placed at the end of the agenda so that others may leave and the Regents can adjourn after the open meeting reconvenes and any necessary action is taken. Discussion of agenda items takes place after the motion and second have been made. There are rules for public comments regarding how many people can speak on a single topic and for how long. If the public comment is not related to an item on the agenda, the Regents cannot respond. The President consults with the Board Executive Committee to gain guidance and determine if full board involvement is necessary on certain matters. They do not have authority to act apart from the Board.

DATA REPORT CARD

Mr. Collin Witherspoon presented data on some positive and negative indicators for the college.

Positive Indicators:

- 1) The ratio of credit hours completed to credit hours attempted increased to 93%. This ratio remained steady even through the year of COVID.
- 2) The three-year first time in college (FTIC) graduation rate has increased from 15% to 25% over three years. The State measures graduation rates using FTIC. Completion rates are different than graduation as they count every metric when a student completes a certificate or program. AC's completion rate is near 60%. Mr. Witherspoon did note that the disaggregated data show a slight drop for African/American students and is a metric that should be looked at again for the 2018 cohort.

Negative Indicators:

- 1) The college's first Fall to Spring retention rate remains at about 75%. Even after creation of the at-risk FTIC model in 2017, 25% of students do not return for the Spring semester. Fall to Fall retention is lower dropping from 58% to 53% this past year. COVID affected this rate and next year will be a better indicator. The focus of the Quality Enhancement Plan (QEP) for SACS will be retention.
- 2) Data has proven that students who take 30 hours or more each year complete or transfer at 80%. About 50% will complete at 12 hours and only 20% if students take on 6 hours. Approximately 25% of students are completing 25 hours, 30% complete 24 hours and of those only 50% will complete or transfer within 3 years. Race/ethnicity, family income, and age are all contributing factors, however, gender, FTIC, and PELL eligibility were inconsequential.

BOND UPDATES

Mr. Sharp and Mr. Danny Smith provided an update on bond projects and reviewed the budgets.

Innovation Outpost – The building is completely gutted. The budget is currently over by \$480,000 but they are working with the architect to get this project to budget. Mr. Smith noted that the Amarillo High School monument will not be removed. Several dead trees have been removed, but new trees will be planted for those removed.

Carter Fitness Center – There is now a construction budget and renovations/construction should begin soon.

Minutes of the Amarillo College Board of Regents Budget Retreat and Special Board Meeting of July 21, 2021

HVAC – The current chillers are at end of life and must be replaced. A brand-new chiller plant will be constructed. This project is within budget. The RFQ is out now and should be on the August regular meeting agenda for approval.

ADA/Paving/Furniture Projects – Many small ADA projects to fix ADA violations were combined. These will be put out for bids and should be on the September board agenda for approval. The paving projects are on the West and Washington Street campus.

Russell Hall Student Services Hub – The construction bid is currently \$2.6M over budget. The architect has suggested approximately \$1.9M in savings. This project includes the IT for the building and a nice patio area that might be scaled down for further cost savings. Mr. Smith is comfortable with this project.

First Responders Academy – This project was originally planned at the East Campus with a pre-engineered metal building. Subsequently, the decision was made to purchase the J.C. Penney building near AISD's new AmTech campus and locate this project there. It is \$2M over budget at \$15.8M but includes IT and FF&E (furniture, fixtures, and equipment) not included in the original projections. This is at the schematic design phase now and the overage can likely be reduced.

CUB Renovation – This project was put together quickly to get the Art Department moved into the space as soon as possible. It is about 40% complete but \$1.7M over budget. There is other funding that might be used to pay for the HVAC going into that building. The Board will tour this building during the August Status Update.

Paused Projects – Some projects have been reimagined or paused due to the increase in construction costs and other factors. There are 7 that still have funding available and these will begin once the projects listed above are underway. Those projects with zero funding available remain on the list to be paid for through the efforts of Mr. Sherrod and the comprehensive campaign.

Mr. Smith noted that the Master Plan was put together quickly and based on square footage costs only. The budgets now are based on actual numbers. COVID caused an escalation of costs and supply chain issues which are causing some delays. All bond projects are accounted for and only Master Plan money has been spent to date.

COMPENSATION STUDY

Ms. Jones provided an update on the compensation study which utilized TASB, TCCTA, THECB, and AC human resources data to help with the market comparison. She reviewed AC's compensation philosophy to match or lag the market and be fair and level recognizing the many other benefits to working at the college. The market was defined by staying in Texas and comparing to similar institutions and a few large ISD's. Positions not exclusive to higher education were compared to those outside education.

Amarillo College has 182 full-time faculty who teach 15 load hours. Overload is paid at the adjunct rate for those who teach above 15 hours/semester. AC's average base pay is \$57,071, TCCTA's is \$57,667. Ranked among peer institutions, Amarillo College ranks in the middle. TASB's journey to market is 15 years, while AC's is only 10. Pay for those with Bachelor's degrees is a little under the average and those with a Master's or Doctorate are slightly over.

Amarillo College has 187 adjunct faculty who teach 37% of classes. The mean load hour pay is \$590 putting AC at number 42 of 48 colleges in Texas. In order to attract more adjunct faculty, Human Resources and Academic Affairs are working on a more robust adjunct faculty pay plan that takes industry experience into consideration.

Minutes of the Amarillo College Board of Regents Budget Retreat and Special Board Meeting of July 21, 2021

There are approximately 950 hourly or salaried staff including 70 full-time leaders and professional and supplemental instructors. There are many job titles and 116 benchmark positions were compared to market and TASB identified 300 positions to study. AC's midpoint was at 88% market, much below the goal to be at or just below market. Working with TASB, all staff positions were slotted into one, simple paygrade chart. Once this was done, the college reached 94% of market. About 170 employees who fell below market have received market adjustments.

Actions taken:

- Faculty – No adjustments for full-time faculty as salaries are at market and they continue to received a \$500 increase each year separate from any merit raise. Adjunct pay will be increased to become more competitive with the market to attract more adjuncts.
- Staff – those who fell below the minimum received market increases. The annual cost for these is \$270,000. Various other positions are annualized at a cost of \$65,000/year.

The 2022 personnel budget includes these changes. Human Resources will continue to benchmark a few positions each year to remain competitive. No one will receive a reduction in pay. The study was funded by an HR services contract approved a few years ago by the Board.

ENROLLMENT UPDATE

Mr. Austin provided an enrollment update.

- 1) Enrollment in the Fall of 2020 was down 6.5% but still compared favorably to other colleges who experienced reductions of 12%. AC was again down 6.5% for Spring 2021, but Summer enrollment was up 1% and compared to this time last year Fall is up 6%. New Student Orientations are full and Fall applications for financial aid are up 10%.
- 2) Amarillo College is working with the Trellis Foundation on a project for HSI institutions that targets students who have stopped out. About 4,000 names were submitted to Trellis, and a text and email campaign conducted by Trellis resulted in 100 new enrollments for the Summer and 171 for Fall.
- 3) The college is also working with Motimatic, a company that uses social media to target students 25 and over who indicated an interest or applied and never enrolled. In less than 30 days, this generated 102 enrollments.
- 4) The Fresh Start program uses CARES funds to pay off student debt allowing them to re-enroll at AC. About 400 students have taken advantage of this and about \$1M in debt has been paid off. More than 80 of these have now registered for classes and the others are able to enroll should they choose to in the future.

CAMPAIGN UPDATES

Mr. Sherrod reported the following information regarding the comprehensive campaign.

- After receiving the \$15M gift from MacKenzie Scott, the campaign goal has been increased from \$30M to \$45M. The Scott gift has encouraged the community to want to give to the campaign.
- Three events will be scheduled in the Fall in community member's homes for possible donors. Additional events will be planned for the Spring.
- Beginning in August invitations will be sent to major donor lists with proposals for naming opportunities for ongoing projects.
- 50% of Cabinet have committed so far for a total of \$450,000 to the campaign.
- From September 1 until now, donations to the Foundation are up \$2M over the normal yearly giving.

Minutes of the Amarillo College Board of Regents Budget Retreat and Special Board Meeting of July 21, 2021**INTERCOLLEGIATE ATHLETICS UPDATE**

Mr. White reported that the athletic programs are on track to begin in the Fall of 2022. Brandon Raines has been hired as the baseball coach, Amanda Black for volleyball, and Sean Hargrove, part-time for men and women's cross country. The coach previously hired full-time for cross country rescinded his acceptance. Mr. White, working with the new coaches, is starting to firm up places to play and practice and determine equipment needs. They are also working on uniforms, scholarships, and insurance. The athletic program is well within budget projections.

NO EXCUSES 2025 UPDATES

Dr. Lowery-Hart informed the Board that Reagan Hales, Associate Vice President for Innovation and Work-Based Learning, is leaving Amarillo, but there is a plan for continued leadership of the Innovation Outpost. Todd McLees is helping create a structure for the Outpost which begin working with local businesses on leadership development and career acceleration and eventually helping them to redesign and reimagine their businesses.

Amarillo College will begin a cloud computing program and a coding academy this Fall. These will be continuing education courses initially that can be cross walked back to academics giving students up to 21 hours of academic credit. The programs will be built outside of the academic structure and timelines in order to jump start a career accelerator which will eventually lead to an academic degree. The college will contract with Ingenuity, Inc. to provide Deep Dive coding curriculum and instruction to launch Innovation Outpost technology academies in Full Stack, Digital, and Ap Development. This contract is on the agenda for approval in the regular meeting following this retreat. Deep Dive graduates are already making over \$82M collectively. Opportunities for employment after completion of these programs are available nationally and globally. The programs will be marketed to students needing careers first, then to existing employees who wish to upgrade their skills. The academic programs will focus on Cisco and the Outpost on cloud computing and coding.

The 10-week programs will offer free tuition and pay students a monthly stipend using gifts Amarillo College has recently received. An AWS Cloud Computing Boot Camp this Fall will train students in data analytics and prepare them for jobs in the field as Devops engineers, Sysops administrators, and Cloud practitioners. There will be a public announcement of these programs before the next regular Board meeting and the first cohorts will graduate at Fall commencement

Dr. Clunis noted that Amarillo College is the regional representative and will strive to build out the Innovation Outpost by 2022 using additional subject matter experts and including other area colleges and K-12. She believes by the end of 2022 the college could have national partners to help create a national hub that will generate revenue and align workforce and education.

Dr. Clunis reported on the Teaching and Learning model for faculty. Professional Development goes from year one through year ten with the goal to bring in and train faculty who have a mindset to change and learn... "hire to retire." It prepares faculty for teaching, service to the college and community, and rank and tenure. The Earn & Learn programs will have both work-based and academics side. This Fall these will be launched on the non-credit side using contract teachers. The academic side will be launched in Fall 2023 and academic faculty will need to be prepared to teach these. \$12M in grants for professional development is expected to be available by Fall 2023.

BUDGET PROPOSALS

Mr. Sharp reviewed the budget timeline which began last December and noted that a balanced budget will be presented at the August meeting. The projected budget is \$73,690,686 and includes an expected reduction in state appropriations, a slight increase in tuition and fees, and increased taxed revenue because of the rise in property valuations. Salaries are the biggest expense in the budget and the proposed budget include a 3% merit raise. The recommendation for raises, if any, will be

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brought to the Board in November once the college has actual numbers for revenue. Raises would be effective in January.

Dr. Lowery-Hart presented the CARES Act priorities which will be brought to the Board for approval in August. These funds can be leveraged to extend the bond and solidify our budget. They cannot be used for executive compensation, athletics, or facilities. Amarillo College will have 3 to 4 years to spend \$19M and the priorities are as follows:

- Earn & Learn (if needed) – \$1M
- Datacenter SAN and Backup Systems – \$568,000
- Upgraded Phone System – \$600,000
- 25 Classroom Upgrades – \$2.5M
- AC Website Development – \$900,000
- GreenLight Platform – \$200,000
 - Block chain technology allowing students to own and manage their transcripts
- Professional development – \$400,000
 - A robust training plan has been developed for the next two years
 - AC will use non-college funds from colleges that have paid for trainings and speaking engagements for a professional development retreat for up to 100 employees next Spring
- Debt Collection – \$7M
 - CARES funds allow the college to write off debt and clear the debt for students
- Technical Dual Credit – \$500,000
 - 50% of AISD students don't go to college after graduation and this can get them a credential by the time they graduate
- Employee/Family Scholarships – \$500,000
- Books for JBS Students – \$25,000
- AVISO Retention Software – \$250,000
- EduNav Course Sequencing Software – \$450,000
- Police Radios – \$90,000
- Adult Education first 7 hours of credit courses – \$140,000
- HVAC – \$4M
 - CARES funds may be used for putting in air cleaning solutions to help protect from future pandemics
- Police vehicles – \$70,000

Amarillo College is working with the City on increased broadband. There is \$9M in student aid money that must be delivered to students which could be used to help them with internet access. It was also noted that the college now has a full-time cyber security officer as required by the State and much has been invested in internet security over the past few years.

ADJOURNMENT

The Board Budget Retreat adjourned at 6:15 p.m.

Minutes of the Amarillo College Board of Regents Budget Retreat and Special Board Meeting of July 21, 2021**SPECIAL BOARD MEETING**

The Special Meeting was called to order at 6:27 p.m. by Mr. Johnny Mize, Board of Regents. He welcomed those in attendance. A quorum was still present.

PLEDGE OF ALLEGIANCE

All stood to recite the Pledge of Allegiance to the flag of the United States of America.

PUBLIC COMMENTS

There were no public comments.

AVISO COACHING, LLC CONTRACT

This was a request to contract with Aviso Coaching, LLC to provide support services and software to Amarillo College. Aviso retention software will be used across all divisions of the college to connect college resources to students in a timely manner which will help students stay on their path to completion or transfer. Software will be used as a data warehouse for our next QEP project. Year one expenses will be \$104,565.00, which includes the license fee, implementation, and FYE coaching. Year two cost will be \$57,228.00 for licensing. Year three cost will be \$58,750.00 for licensing.

This contract will be funded by a combination of grant funds and institutional funds.

Dr. Clunis explained that this software will connect all departments. AVISO is nationally recognized and recommended by Achieving the Dream. AC also considered Starfish but did not feel they could provide what was needed. It took 18 months to find a company and AVISO will be a partner rather than a vendor.

Dr. Proffer moved, seconded by Ms. Fortunato, to approve the contract with AVISO Coaching, LLC. The motion carried unanimously.

DEEP DIVE ACCELERATOR PARTNERS CONTRACT

This is a contract with Ingenuity, Inc. to provide Deep Dive coding curriculum and instruction to launch Innovation Outpost technology academies in Full Stack, Digital, and Ap Development. This contract will be paid with funds from the Innovation Outpost Budget.

Dr. Lowery-Hart stated that the college had gone through a robust process to select this company and selected this one in part because they were the only company to provide employer data for students who had graduated from their programs. Deep Dive will help with professional development, evaluation, and selection of students, and will utilize AC's counselors. The goal is to begin recruiting and selecting students the first or second week of August, announce these programs to the community, and have the first cohorts graduate before the Christmas break.

Mrs. Carlisle moved, seconded by Ms. Jennings, to approve the contract with Deep Dive Accelerator Partners. The motion carried unanimously.

EVALUATION AND COMPENSATION OF COLLEGE PRESIDENT

This item was placed on the agenda in order for the Board of Regents to consider the employment and compensation of the college President.

Minutes of the Amarillo College Board of Regents Budget Retreat and Special Board Meeting of July 21, 2021**CLOSED MEETING**

At 6:46 p.m., Mr. Mize called a closed session so that the Regents might consider the employment and compensation of the college President pursuant to Section 551.074 of the Texas Government Code. The closed session concluded at 7:25 p.m. and no final decision, action, or vote was taken in the closed session. The open session reconvened at 7:27 p.m.

Ms. Fortunato noted that Dr. Lowery-Hart's evaluation was done at the January 2021 meeting and much has happened since that time including the Aspen Top Five Rising Star Award and the \$15M gift from Mackenzie Scott.

Ms. Fortunato explained that the Finance Committee had looked at comparable salaries for the City of Amarillo, AISD, and WTAMU. Additionally, they considered TCCTA information from large institutions, TASB data, the top ten Aspen schools, and the three Texas Aspen finalists. The average was \$282,000. The process was similar to that used by Human Resources to bring employees to market.

Ms. Fortunato recommended on behalf of the Finance Committee that, effective June 1, 2021, the President's base salary be raised to \$281,000. No second was required as the motion came from committee and the motion carried unanimously.

ADJOURNMENT

There being no further items for discussion, the meeting adjourned at 7:34 p.m.

Jay Barrett, Secretary