

CONSENT AGENDA NO. 10.1.d.

Approval of the Work Session Meeting Minutes for June 28, 2023

It is recommended that the Board approve the meeting minutes of the Work Session for June 28, 2023.

A work session of the Board of Trustees of Dallas College was held June 28, 2023, beginning at 9:09 a.m. and was broadcasted via the streaming link www.dallascollege.edu/boardmeetingslive. The meeting was convened by Chair Bravo.

Board Members and Officers Present

Mr. Cliff Boyd
Ms. Charletta Rogers Compton
Ms. Monica Lira Bravo (chair)
Ms. Diana Flores
Dr. Catalina E. Garcia
Dr. Justin Lonon (secretary and chancellor)
Mr. Paul Mayer
Mr. Phil Ritter (vice chair)

Members Absent

None.

1. Roll Call - Announcement of a Quorum confirmed by Chair Bravo.

2. Certification of Notice Posted confirmed by Chancellor Lonon.

3. Citizens Desiring to Address the Board

None.

4. Special Presentations

4.1. Facilities and Bond Strategy Update

Presenters: John Robertson, Brad Williams, Scott Wright

Dr. Justin Lonon, Chancellor, provided a quick recap of the goals and focuses of the special presentation. He requested Dr. Brad Williams, Vice Chancellor of Operations, to come back up with the remainder of the team that reflects “Paving the Road Towards a College of Innovation” with Jim Parker, Chief Officer of

Information Technology. Dr. Williams explained that Dallas College needs technology, automation, and updates to processes and change management to gain efficiency and strategic planning to ensure that we operate differently.

Trustee Compton asked whether Dallas College has software packages for all of them and if all are used consistently. Dr. Williams replied the slide showed present software used.

Jim Parker continued with the presentation stating that the systems shown are what are dramatically used to affect the enterprise of Dallas College. When starting the accountability process, one must identify what has been purchased and how much was used; stepping out of the database systems and reaching into focused contracted services that focus on functionality and effectiveness. Alignment of the many different applications will assist with streamline of packaging that will support all areas across the board and can track what's being used appropriately based on activity and how it supports the business' purpose.

Trustee Flores asked if specific areas being able to purchase software according to their needs and will this alignment go through a different process.

Parker replied that IT is working with the CFO to develop an appropriate process. This will ensure that software and systems are purchased to support the enterprise and ensure compatibility with other software. This also will allow for bundle tracking. Many of the systems will sunset such as Colleague due to Workday functionality. There are 17 major enterprise level projects happening to assist with this implementation and alignment.

Trustee Ritter questioned the success of last year's budget meeting reflecting that Dallas College had hundreds of contracts related to software use and there would be a review and cost savings.

Parker stated there were savings recouped such as the \$1.7 million dollars he requested for the Board to match. An outcome of the process is a partnership with a company to do the consolidation of software purchasing then place into a single catalog and manage the licensing for Dallas College.

Ritter followed up with explaining the former approaches of purchasing hundreds of software at the campus level then when we come to the one college approach. He wonders if the consolidation process did save money. Parker confirmed that money was indeed saved and will continuously be saved overtime as more in-depth review of the vast software purchased. There is also collaboration with Academics and IT to do a contract that will allow for the book purchase to also include software needed in addition as a bundle that will help bring down cost.

Dr. Williams added to the discussion that the process of review and implementation always takes time, but it sometimes is not included in the cost.

Trustee Compton questioned why there is overlap of systems in the functional areas such as Workday, Salesforce, Colleague etc.

Parker stated that it deals with specific modules and security components in different areas that allows for fluid and multiple uses for different departments, it creates functionality for the different areas.

Trustee Flores asked a question regarding the meaning of IT Foundation.

Parker answered that IT Foundation are the systems that allow you connect to different platforms. For example, when one connects to the internet, there is foundational technology that must be there that allows that to happen such as the internet, broadband access, local networking, etc. are all IT foundational costs that do not go away; they must exist for functions to happen. Dallas College needs to be able to be as simple, intuitive and user friendly to support what the employees and students to use. Trustee Flores asked how Greenlight is working and what is the number of students using it.

Parker confirmed that it is doing very well and will get the number for her at a later date.

Parker continued the presentation displaying IT costs in relation to the annual college budget which is 12%. This is broken down into segments of what is used in that 12% that deals with

operational foundational tools that allow the workflow of the college. Target goal is 6%.

Trustee Ritter asked about campuses having Wi-Fi issues and the need to close a campus due to it.

Parker stated that the network infrastructure is designed in the past and single threaded.

Dr. Lonon added that also other factors such as power outages and construction in specific area that impacts the campuses.

Trustee Bravo also added to the discussion regarding fiber issues causing internet outages. The architecture of our campuses also needs to be restructured to not a single point of failure and increase the bandwidth to 100 gig-line and not similar to a single home (1 gig-line). Originally it was also designed for those within the campus and inside of a classroom not remote from anywhere. Foundational walls are too thick that doesn't allow a flowing signal fluidly.

Parker then focused on the 3-year goals stating 2024 College Wide Wi-Fi and Infrastructure investment, 2025 Workday Student goes live and Hypercare and 2026 Lifecycle Steady State.

Dr. Williams explained that these were formerly identified and explained in the KPI presentation that can be benchmarked against other institutions.

Trustee Flores inquired about the goal in 2026 to be steady asking will Workday continue, or will there be another large investment of a new tool?

Parker stated the goal to always make the percentage as low and smart as possible. Dallas College needs an institutionalized foundation to address the needs over a period of time to keep items steady and ensure that the things done can go across all areas.

Trustee Compton asked a question regarding how Dallas College compares to other community colleges across the country in relation to IT capability.

Parker stated that he hasn't looked at the numbers. Parker has always used Gartner, which is an IT consulting firm that reviews, research, and compares benchmarks such as IT usages and technologies across colleges and industry. Dallas College can benchmark against Western Governors because the direction is very aggressive and competitive. He feels confident that Dallas College is headed in a modern and sustainable way to approach the IT issues experienced.

Trustee Ritter asked a question regarding if other community colleges are using the same platforms as Dallas College and if so, can we share our expertise with them and what about K-12 partners. Parker stated we can share the expertise as others haven't made an impactful investment like Dallas College specifically with Workday. Ritter praised the collaborative work Dallas College does with the data sharing platform.

Parker stated that there are efforts to build up the security measures regarding data sharing and have IT.

Trustee Compton asked what was the "\$10 million in identified IT spend outside the IT budget" shown on the slide.

Parker stated that it is the instructional software and technology that the faculty use to teach a class. Dr. Williams added for all to remember that there is in progress a collaboration, consolidation, and reconsideration of technologies, needs and other software evaluations that will take place to ensure the effectiveness of items purchased and allow the Finance team with Tiska Thomas to better project and prepare for costs annually.

Dr. Lonon supported this as well stating that we will be able to track more effectively how we have been making the impact.

Parker continued the presentation regarding Data Strategy stating that having systems like Workday and Brightspace that have specific open and integrated information that is open allows for accurate data collection based on the needs of those that need to find appropriate reports and create an appropriate data warehouse in one central space.

Parker confirmed that there is a foundational data source of record like Workday which doesn't technically do everything by itself.

There are other systems that feed into it as well as other systems that capture different things. It's a reflection of the record along with the transformations of the record—how items change in a record.

Trustee Compton asked a question regarding having the many different systems and going to different sources to bring together one report of what one is looking for and once the transition is done to move to one database, will that truly eliminate the trouble and capture all the data.

Parker stated yes. Compton is concerned that there is a lot of time wasted then just on searching and compiling.

Parker explained that it would normally take many people trying to pull data together and place in a spreadsheet where Workday will soon be able to pull the appropriate data and merge and manipulate what's needed in a short time once it is updated. Those people can more so do the appropriate analysis of the pulled data rather than two jobs (pulling then analyzing). There's a lot of talent in spreadsheet management to do this work once Workday is fully capable to do what Dallas College needs. Dr. Lonon has discussed with Leadership to investigate "prompting engineers" and other AI sources that will help do the work in half the time so our employees can focus on the important items that need tailoring and the human touch/eye. English majors make great prompt engineers.

Trustee Boyd commended the development of change for Dallas College in the IT realm and the benefit of an explanation of the infrastructure and how IT capability is creating more effective course planning and faculty load. How will all these investments will overall impact the students, staff, and faculty? The Board will need to see this.

Parker stated that a couple of the items are indeed live such as Salesforce and Workday; Dallas College is basically replacing the unified called center to appropriate support the needed efforts. Companies want to support Dallas College needs and would like to use Dallas College as a case study.

Dr. Williams discussed how Dallas College was moving to streamline the different areas and how the layers of new items that

work together to do what's needed which can cause a realm of complexity and overlap. The "Process Engineering and Thought Alignment" will help with ensuring teams aren't lost in the fold as the implementations and timelines happen. It will allow the functional team to fix the problem to allow the other team to continue their daily work.

Trustee Boyd stated that there needs to be consideration of intense training and development of these teams and focus on developing the skillset of people that would like to be involved in implementation processes for companies. See it as an opportunity to be the source for the community and partnered entities and develop the solutions for the partners.

Dr. Williams also noted that in that training there were soft skills trainings that would be applied as end users and IT developers do not speak nor see items the same so there is tension that is unnecessary when it's all about how to communicate the solution. This allows for a seamless implementation and less pauses in the processes. This also helps bring the Employee Satisfaction Survey feedback to fruition in relation to structure, role clarity and process documentation. Communication is a huge piece of the process as well where there is a lot of consideration on how technology is used for surveys to provide feedback, assess of how a communication is viewed by different departments in different ways and have a group that reviews it as well before communications go out to ensure clarity.

Dr. Lonon closed the presentation with "Through the Lens of Collaboration, We are Creating a Responsible and Unified One College Plan" where intertwined cogs are fit perfectly and turning in the appropriate directions signifying departments working together and development of each area's plan to fit together for the needs of people, budget, roles etc. This year is the first actual implementation to ensure that all the pieces work together to accomplish the true unified one college plan.

Trustee Compton asked a question regarding looking at professional development in understanding what IT.

Trustee Compton requested that the team explain in more detail what the KPI's are and how they impact the strategic structure and governance of the college regarding truth and data. Dr.

Williams and Dr. Lonon confirmed that there was a plan to do that exact thing. There are KPI's that aren't mentioned that were in process of completion that will need a deep dive to provide the appropriate information and how we continue to meet the goals and needs of Dallas College.

Brad Williams, Scott Wright, and Tiska Thomas presented the Facilities and Bond Strategy Update.

The core responsibilities of Facilities Maintenance include construction, operations and maintenance, landscape and grounds, fleet services, pest control, facilities helpdesk, shipping and receiving, space management, and energy management and sustainability.

Energy Management continued to focus on utility usage and cost reductions. Saving energy equals cost savings collegewide. Sustainability recently joined Facilities Management and are in the process of developing new incremental key performance indicators (KPI) that will work towards net zero. Sustainability would also focus on student engagement, incorporating sustainability in the curriculum, and aligning efforts collegewide for recycling.

Facilities Management utilizes an operating budget of \$58 million and a \$20 million budget specifically set aside for Facility Improvement Plan (FIP) projects, such as new roofs, fire and life safety, and mechanical equipment replacement. FIP funding covers about 30 projects based on need and addresses the biggest maintenance problems collegewide.

Other funding sources include Strategic Funding and grants. Strategic Funding is utilized for one-time funded items, such as equipment upgrades. The grants team looks for grant opportunities to fund program needs.

Operations and Maintenance funds cover small, minor repairs. Facilities Management encourages employees collegewide to submit work orders for repairs as they see them.

Another part of Facilities Management is the bond initiative. In 2019, Dallas County voters approved the issuance of \$1.1 billion bond program to construct, improve, renovate, and equip

buildings collegewide. The bond issuance was delayed due to a lengthy lawsuit, followed by the pandemic and college reorganization. During the pandemic, there were supply chain delays and the cost of goods, such as steel and concrete, skyrocketed.

Procurement and supplier development have a part in facilities projects and the bond program. Procurement processes 14,000 requisitions a week, along with their work on contracts, sourcing, and bids. Currently, procurement is undergoing a review for improvements. A consultant is interviewing college leadership for their perspective and challenges with existing procurement processes. Supplier development works with compliance with state and federal regulations, diversity, outreach, training, and development of partnerships with small businesses. Supplier development is implementing B2GNow directory for a broader customer base.

The following Phase 1 Bond Projects are currently under construction:

- Brookhaven – Early College Center and Expansion
- Cedar Valley – Early College and Academic Building, One Stop Shop
- Eastfield – Student Success Center
- Mountain View – Early College Center, Nursing Building, Welcome Center
- Richland – Early College Center and School of Business

Completed Phase 1 Bond Projects include Cedar Valley Commercial HVAC Renovations, West Dallas Center Addition, and North Lake Construction Science Building.

Phase 2 Bond Projects encompass reimagining our Downtown presence. The scope of the project will need to be defined before the RFQ is issued. The RFQ would identify the potential partners or developers and the RFP would have the college's desired specifications for the project. Community engagement sessions will be held this fall.

Trustee Flores asked about the e-recycling process. Scott Wright responded that the college is looking at auctioning equipment to bring in revenue. Trustee Flores recommended reaching out to

Computodot, a non-profit that provides computers to low-income families.

Trustee Flores spoke about the board needing time to discuss this long-term decision for the college and stressed the MWBE participation. Trustee Boyd recommended having a special meeting in the fall. Trustee Ritter suggested a discussion focusing on RFQ, MWBE, and procurement methodology selection. Rob Wendland spoke about the importance for the board to have a voice in the vision of the Downtown project.

Trustee Compton spoke about reducing the multiple steps in the process (RFI to RFQ to RFP) and directly issue an RFP. Tiska Thomas responded that moving from an RFI to RFP opens the college to risk for protests, which can delay the entire process.

The board called a break at 11:09 a.m. and returned at 11:19 a.m.

4.2. FY 2023-2024 Budget Overview

Presenters: John Robertson, Tiska Thomas, Brad Williams

Brad Williams and Tiska Thomas presented the FY 2023-2024 Budget Overview.

The internal budget planning process has changed to a more collaborative approach to support the goals and initiatives of the college through open discussions while maintaining financial health.

State appropriations funding model has changed from contact hours-based funding to an outcomes-based funding, HB 8 Funding Model. Texas Higher Education Coordinating Board (THECB) has not yet released definitions of the value of the metrics in the performance tier of the new funding model.

Dallas College provides allocations by school and workgroup based on programs and services offered collegewide. The college is investing in high demand fields and programs, such as dental hygiene, nursing, logistics, manufacturing, construction, and IT. Enrollment trends show that our largest growing programs are in ETMS and MIT.

Another part of our funding comes from Financial Aid for Swift Transfer (FAST), which is a new program that allows funding in

support of dual credit, the largest growing base of students. Based on formula funding, the college received \$3.4 million in FAST funding, which is in addition to the \$91.5 million in state appropriations.

The state also increased funding by 128 percent for Texas Educational Opportunity Grants (TEOG), which meant an additional 6 million directly awarded to eligible Dallas College students.

The statewide average tuition cost is \$100 per semester hour. Dallas College tuition is currently \$79 per semester hour, which covers inclusive learning materials. Follett has increased the cost of learning materials from \$20 to \$23.25 per semester credit hour. The college has not increased the tuition rate to adjust for the additional cost. The college is planning to go out for bid on electronic learning materials.

The early college high school and dual credit waivers are the largest waivers for the college. Another significant waiver is the emeritus program, which provides tuition exemption for senior adults in Dallas County.

Ad valorem property taxes are the single largest revenue source for the college. Our 2022 tax rate is 9.6 cents, which is a lower rate tax rate than ten years ago at 9.8 cents. The revenues received are a direct result of the increase in taxable assessed value (TAV). TAV trends over the past 5 years show spikes in 2022 with a post pandemic effect of how the market shifted. The trend is coming down and is anticipated to continue to decrease in the future.

Exemptions are at the maximum level allowed by the state at 20%. The over 65 and disabled person exemption was increased from \$75,000 to \$100,000, providing an additional \$4 million savings to our taxpayers.

Another portion of our tax rate goes to debt service. Our current debt is \$491 million of which \$353 million is the latest GO Bond. From the 2004 bond program, the remaining balance is \$45.9 million. Because of fiscal responsiveness of leadership and the board's direction, our refunds and acceleration of debt saved our taxpayers over \$67 million since our last bond program. The

college also has early call options at one, three, and five years that allows for an early payoff.

In our 58-year history, Dallas College has had five bond programs totaling \$1.6 billion. The latest bond program, 2019 GO Bonds, was issued for \$1.1 billion with the Phase 1 issuance at \$350 million. The remaining \$752 million is the amount available out of the original authorization for the college to issue. The college will review the academic and facilities master plans, determine pricing, and continue discussions about funding options, partnerships, and future initiatives.

In addition to state appropriations, the FY 2024 revenue forecast includes a revenue increase from contract training. TAV certified numbers will be available at the end of July. The college has estimated a TAV increase between 7 and 9 percent. Overall, our investment income will increase due to market conditions.

Contingency is about 3 to 5 percent of operating budget that has been set aside for other initiatives. Cash reserves are an accumulation of unrestricted funds that the college built up over the years due to conservative leadership approach and board policy that required 4 to 6 months of operating revenue. Current policy changed to a minimum of 2 months of operating revenue. Technology and facilities have suffered from that strict approach. Cash reserves may be utilized to address four major areas: operating, maintenance, capital improvements, and equipment.

New terminology for financial conversations:

- Committed is an amount determined by policy.
- Dedicated is set aside for initiative and programs.
- Discretionary is remaining reserve after committed and dedicated funds.

Committed portion for cash reserves is \$95 million. Committed for end of year obligations that have not yet been paid is \$10 million. Discretionary cash reserves remaining is \$356 million, roughly about 7 months of cash reserves. Discretionary dollars allow the college to be innovative and forward thinking without having an immediate burden on our taxpayers or our students. Proposed dedicated use for our cash reserves include new and expanded programming and IT wi-fi refresh and campus FIP

refresh. The new and expanded programming costs are one-time expenses, and the programs will be reviewed before institutionalizing costs.

During the budget cycle, collegewide requests totaled \$100 million over the revenue projections. Executive leadership reviewed the collegewide requests to identify priorities and assess efficiencies to expand services. Through this strategic engagement, the use of cash reserves philosophy was developed.

The budget will show that the college is promoting innovation and accountability while supporting our people and programs. Over 70% of the budget is staff wages and benefits. The budget will address programmatic opportunities and salary considerations, such as a livable wage, faculty stipends, and compensation study results. Central administration encompasses central services (IT, facilities, marketing, and police) along with DART and Included.

The financial overview shows that salaries are the largest line item and that grant opportunities have provided additional dollars to fund initiatives. Purchased services includes consultants, call center, and other contracted vendors. More detail will be provided in the Budget Book with budgets broken down by schools and workgroups. Financial conversations will continue at a future board meeting.

Trustee Boyd spoke about the quality of work of the finance staff and that he was honored to serve as chair of the finance committee.

Trustee Flores asked about dual credit projections for growth. Provost Floyd responded that dual credit programs are in response to the requests of ISDs and are a significant investment on their behalf due to transportation and food expenses.

Trustee Flores requested that the Chancellor's Weekly Memo include information when organizations or institutions make site-visits at Dallas College.

Trustee Flores requested data on dual credit graduates for the past five years.

Trustee Flores asked about the “Other” category listed under waivers. Tiska Thomas will share that information with the board.

Trustee Ritter discussed paying down debt as a significant cost savings for taxpayers. Tiska Thomas responded that the bonds have not fully matured so the financial burden has not been placed on the taxpayers. In addition, refunding and acceleration of debt provides taxpayer savings. The college also receives a lower interest rate due to our outstanding credit rating.

Trustee Mayer proposed investing in our academic programs with our cash reserves.

Trustee Boyd asked about the time for utilizing bonds. Rob Wendland stated that issued bonds must be used in a certain period; however, if the college does not issue all of the \$1.1 billion bonds, there is no set end date by which to issue that indebtedness.

Trustee Flores asked how funding short falls for student programs are addressed. Tiska Thomas stated that salaries for vacant positions are reallocated to operating expenses to cover those needs until the position is filled. The budget is then rightsized so that the college can continue to offer services.

Trustee Flores shared concerns about marketing being heavily affected during the reorganization. Dorothy Jones stated that marketing is undergoing a reorganization for effectiveness, including providing creative services as a tool for staff to create their own marketing materials.

Tiska Thomas recognized the budget managers and leadership for their hard work on the budget.

Trustee Ritter suggested examining the mental health benefit for employees. Tiska Thomas acknowledged employee benefits are more than compensation and should include employee services. John Robertson suggested that human resources review our benefits and compare the additional coverage provided by other institutions across the state.

Trustee Boyd suggested sharing retirement knowledge through the emeritus program as a valuable tool for the community.

Trustee Compton asked for the breakdown of what makes up central administration by percentage with expenses denoted.

Trustee Flores asked for an update on the compensation study. Louis Burrell commented that the study results will be available in September and will be reviewed for recommendations and findings before sharing results.

Trustee Ritter requested forecasting on capital with three-year projections.

Chancellor Lonon gave closing remarks in support of new and innovative ways of supporting our students and programs and investing in Dallas College. He also spoke about the strategic and collaborative thinking leading to efficiencies and that the budget recommendations reflect a responsible use of resources provided by the taxpayers. Chancellor Lonon thanked the board relations staff and spoke about the committed and talented leadership team. He recognized Trustee Flores for her passion and long-term advocacy for supporting diversity, equity and inclusion and ensuring that we have a diverse representative workforce. Chancellor Lonon made a hiring mandate to hire the best people by intentionally recruiting, attracting, and retaining our staff.

5. Executive Session was not required.

6. Adjournment at 1:06 p.m.

Captioned video and transcripts for Dallas College Board Meetings are available at our website, www.dallascollege.edu/boardmeetingslive, under the Archived Videos section.