



Community College
Association of Texas Trustees

Trustee Handbook



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FORWARD

Community Colleges — *An American Invention*

John E. Roueche

I arrived at The University of Texas at Austin (UT) in 1971, succeeding Dr. C.C. Colvert, who established the UT doctoral program in community college leadership some 30 years earlier, making UT the first doctoral program in the nation focusing on community college leaders. I quickly learned from Dr. Colvert that his “first order of business” was to establish working relationships with the trustees of the fast-growing community colleges nationwide.

He established the Association of Texas College Trustees and Administrators and served that organization until my arrival. I served the Texas trustees as secretary-treasurer and hosted an annual conference until my retirement from U.T. in 2012. I now direct a doctoral program for Kansas State University with our offices in Austin.

There were junior colleges (two-year) that were private and mostly denominational before the beginning of the 20th century. The first public community college was established in 1901 in Joliet, Illinois.

There were lots of private community colleges and increasing numbers of public colleges by the end of World War II. Returning veterans, supported financially by the GI Bill, increased college enrollments by tens of thousands.

It was not until 1947 that the Truman Commission (officially the Commission on Higher Education for Democracy) called for the creation of public community colleges across the nation. The commission also recommended that these new institutions be located within commuting distances of the nation's population.

The result of the Truman Commission's recommendations was the creation and establishment of more than 500 new public community colleges across the nation.

These new institutions were referred to as “democracy's colleges,” and many adopted the words from the Statue of Liberty, “Give us your tired, your poor, etc. etc.” These colleges would be known as “open door” institutions—a major departure from the admissions practices of most

**You will find
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college.**

existing state institutions at the time and an even more dramatic departure from contemporary public colleges and universities, where selectivity and the pursuit of elitism dictated “who” was going to be admitted. At UT today, the top 8% of high school graduates are eligible for admission. Other institutions (mostly private) pride themselves on admitting only the best of the best.

As a board member, think of the challenges of being “open-door” with your admissions. Contrast that challenge with universities that admit only the “top 8%.”

I am always amazed when newspapers and national magazines want to compare the persistence and graduation rates of highly-selective universities with community colleges.

It takes a much better college with dedicated faculty and staff to help all of our entering students experience academic success. Consider that a huge majority of our entering students require developmental work in reading, writing, and math to have the necessary skills to be successful in college freshman courses.

Community colleges (for the most part) have not been successful with the students who enroll needing remedial work. The attrition rate of these students is still atrocious. Many critics say the “open door” is truly a “revolving door.”

I hope you are not discouraged at this point, because a number of outstanding colleges have been very successful with this large “at risk” population, including Drs. George Boggs and Byron McClenney, both authors for this handbook. In fact, Dr. McClenney achieved remarkable success with one of the most diverse student bodies anywhere when he served as President of Community College of Denver (CCD). He partnered with the public schools, business and industry, other public entities (welfare, public housing, etc.) to address the total student needs as they sought admission to DCC. The result of these collaborations was dramatic improvements in student persistence and achievement with large numbers of minority students. CCD was an institution that demonstrated it was truly possible for an open-door college “to make good on the promise of the open door.” Dr. Boggs achieved a similar result at Palomar College.

It has taken a very long time for colleges to realize that we must be more than “open access” if our goal is to be successful with all of our students. Consider how many students need adequate housing, food opportunities,

and clothing. Most community colleges now provide these services in addition to excellent financial support, advising, and counseling.

The CCATT Trustee Handbook has been developed to assist you and your fellow board members in planning for your college’s mission and the strategies required to accomplish that mission. It does require solid teamwork to achieve success when you are “admitting all of God’s children.” This handbook has been prepared by some of our most successful presidents and Dr. Ferrell, who brings terrific financial background to this discussion. Dr. Ellis, who put this document together, has been a most successful president of community and technical colleges, served as associate vice chancellor of the University of Texas system, and is a most in-demand consultant for the nation’s community colleges.

You will find this handbook your friend and companion in building a world-class college.

John E. Roueche

Executive Director

John Roueche Center for

Community College Leadership

Kansas State University

Professor and Director, Emeritus

Community College Leadership Program

The University of Texas at Austin



***As a trustee you are
embarking on a position
that will have a profound
impact in your community
and across the state.***



PREFACE

As a new trustee or regent for your community college, you're coming into this role because of your interest in higher education in your area. You might have attended a community college for all or part of your post-secondary education. You might be a business owner or an executive who hires community college graduates. You might be a former educator who is looking to use your experience at the board table.

Regardless of the path that brought you to seek elected office or put your name in nomination for an appointment, you are embarking on a position that will have a profound impact in your community and across the state.

Of the many statistics that you will hear during your tenure on the board, remember that community colleges in Texas educate almost 750,000 students each semester, representing the highest enrollment in all of higher education in our state. As the only elected officials in higher education, you and your fellow college trustees across the state represent an important voice in matters of policy, resources, and governance for our colleges—and an important voice for the students that we educate.

As a part of your orientation to this position, the **Community College Association of Texas Trustees** (CCATT) offers this Trustee Handbook as a resource for your use. Along with information provided by your college CEO, we hope that this handbook will be a resource for you as you learn about your new role.

CCATT also works in the areas of legislative advocacy and member engagement, in addition to our work in professional development. We encourage you to avail yourself of the many opportunities for continued training at our conferences, webinars, and institutes.

Please let us know how we can be of service to you.

Warmest regards,

Carol A. Scott

Chair of the Del Mar College Board of Regents

2020-2022 Chair, Community College Association of Texas Trustees



INTRODUCTION

Trusteeship 101

Martha Ellis

Congratulations on being elected to a Texas community college governing board! The board may be called a board of trustees or a board of regents, depending on the college. Both titles are correct, and there is no difference in the roles, responsibilities, or education statutes based on the title of the governing board.*

Texas community college trustees generally seek to be elected to a governing board because they want to make a difference. They believe in the mission of the community college and have a desire to serve the college and their community. As elected officials, they consider and represent the many interests of their communities. Their primary duty is to uphold what is best for the college above all other interests.

The governing board is entrusted with the well-being of the institution in property, finance, and mission. An effective board forms a cohesive group able to represent the public interest, establish a climate for quality

learning, and monitor the effectiveness of the institution. The board's role is distinctly different from that of the chief executive officer (CEO) and others employed at the college. Boards of trustees do not do the work of their institutions; they establish standards and expectations for that work through the policies they create and approve (ACCT, n.d.).

“Great community colleges require great governing boards” (ACCT, 2016, p. 11). The New Trustee Handbook provides an overview of the roles and responsibilities for ethical and effective governance by a Texas community college governing board.

9 Principles of Effective Trusteeship

1. Act as a unit	2. Represent the common good.	3. Set policy direction for the college.
4. Employ, support, and evaluate the college's chief executive.	5. Define policy standards for college operations.	6. Monitor institutional performance.
7. Create a positive college climate.	8. Support and advocate for the interests of the institution.	9. Lead as a thoughtful, informed team.

*The Texas Education code 3.G.130. E refers to governing boards as boards of trustees of junior college districts.

Effective Boards Policy, Planning and

Section One



and Monitoring

by Byron McClenney

Setting the Direction

Effective Boards

Governance

Problems Facing Board Members and
Effectiveness

Importance of Planning

Monitor What Matters

Understanding Guided Pathways

Board Retreats

Standards of Ethical conduct



Effective Boards

Policy, Planning, and Monitoring

Byron McClenney

Introduction: Byron McClenney created the Board of Trustees Institute (BOTI) in 2007 while serving as director of Student Success Initiatives in the Community College Leadership Program/Higher Education Leadership Program at The University of Texas at Austin. Included in the work was service as national director of Leadership Coaching for Achieving the Dream, which included reviews of hundreds of coaching reports following coach visits to over 200 colleges/districts. He was a partner with Association of Community College Trustees (ACCT) in the creation and delivery of the Governance Institute for Student Success (GISS) in over a dozen states involving most boards and their CEOs. He co-directed the California Leadership Alliance for Student Success (CLASS), which included CEOs and board members from districts around the state. Dozens of board retreats provided direct experience with the challenges “on the ground” around the country. Many of these retreats were in Texas. Byron served for five years on the Board of the Colorado Community College and Occupational Education System, which included two years as chair. The system board is the governing board for 13 colleges. This board service helped solidify concepts developed during 33 years as a community college CEO. Most recently, he helped lead the California Trustee Fellowship for 31 districts, which included trustees and CEOs. He and Kay McClenney joined the Aspen Institute team, working with California leaders. These experiences along with many others provide the background for the items included in this section.

Please consider the following outline for this section:

***There are two thought pieces on effective boards and how they set the direction.**

Effective boards set the direction

Effective boards

***The next item focuses on the importance of planning, which is a powerful tool for boards.**

The importance of planning

***Suggestions for monitoring what matters presents the types of data for review.**

Monitor what matters

***A succinct piece on essential practices for Guided Pathways provides a handy tool.**

Understanding Guided Pathways

***A draft document from struggles of a particular college shows the way to address equity.**

A vision for success and equity

***A board inventory focused on key issues can be a tool for a board retreat.**

Board retreat inventory

***Board problems and ethical considerations show boards what to avoid in order to focus on student success with equity.**

Problems facing board members and effective boards

Standards of ethical conduct

EFFECTIVE BOARDS SET THE DIRECTION

Report after report from think tanks, foundations, and associations underscore the importance of increasing student educational attainment. Leaders must understand how to utilize planning as a tool for achieving desirable outcomes. Given the current shift in emphasis from access to student equity, success, and completion, it is crucial for college leaders and boards of trustees to engage their colleges in effective planning. Nothing less than transformation is called for, and this is unattainable without effective planning (McClenney, 2010).

Institutional transformation is, by necessity, incremental and evolutionary. The active involvement of governance boards and CEOs is encouraged in asking the kinds of questions and modeling the kinds of behavior expected and encouraged throughout the institution to keep student success at the heart of the college's work (McClenney & Mathis, 2011).

Set the Strategic Direction for Student Success

1. Do you have a collective vision of your potential future?
2. Have you made student success with equity a central priority?
3. Does your vision/plan address the needs of your service area?
4. Do you conduct regular reviews of policies to support student success?
5. Do you use retreats and study sessions to review results and focus on future priorities?

Create the Culture for Change and Transformation

1. Are you aware of the major transformative developments in community colleges?

*Transformation of basic skills/developmental education

*Math Pathways

*Guided Pathways

2. Do you link priorities to the allocation/reallocation of resources (budget)?
3. Do you have strategic alliances with K-12 districts and universities?
4. Is the board ready to support prescriptive practices (orientation, advising, student plans) to increase success outcomes?

5. Do you provide support for your CEO to lead courageous work?

Monitor What Matters

1. Are you willing to create a culture of inquiry, evidence, and accountability?
2. Have you adopted a limited set of metrics to monitor what matters?
3. Do you understand the characteristics of new students?
4. Do you hear and discuss reports on the progression of students through the college?
5. Do you periodically discuss results on leading indicators of student success with equity?

Effective Boards

Governance

We know that leadership matters in mounting institutional transformation. This includes leadership by both the board and the president or chancellor. Board actions and behavior are critical in creating a climate that is conducive to closing equity gaps, ensuring academic quality, and improving student outcomes. Making deep and long-lasting change requires political will by the college's governing board to maintain unrelenting attention to the agenda and commit to institutional transformation to improve equitable student outcomes (McClenney & Mathis, 2011). The following effective board practices are based on analysis of work with governing boards across the United States, including work in Texas since 2007.

- Support a culture of inquiry, evidence, and accountability
- Approve a strategic plan/vision with student success at the core
- Approve goals for student success with equity
- Monitor key performance indicators (scorecards/ dashboards)
- Ask tough questions about progress on student success
- Expect to receive a limited set of clear priorities to improve success
- Create a culture within which the CEO can engage in needed courageous conversations

- Approve resources to support the student success agenda
- Expect a relentless focus on the student success agenda
- Consider evidence-based changes in policy affecting success

Boards of trustees have critical roles in strengthening student success, beginning with their selection and support of the CEO, who is committed to the work. The board's influence extends through the priorities it establishes for the institution and the ways it communicates those priorities, monitors progress, asks questions about student success data, evaluates CEO performance, and creates institutional policy conditions specifically intended to promote student success. Not to be underestimated is the role the board can play in ensuring that student success remains at or near the top of the CEO's agenda, reinforcing the necessary focus and mitigating distractions that inevitably arise (McClenney, K & McClenney, B., 2010, p. 4).

The problems facing board members and board effectiveness

- Member serving to carry out a specific agenda for some group or constituency
- Violation of the rules of confidentiality
- Member going on campus to gather evidence or hear complaints
- Effort to influence a SPECIFIC personnel action
- Member seeking personal favors
- Member requesting an inordinate amount of information
- Creation of factions on the board
- Attempts to micro-manage the budget
- Arguments in a public meeting
- Individual trustee seeking to speak for the board
- Member surprising the CEO and other board members in a public meeting

The importance of planning

All institutions share the need to think strategically and to plan a productive future. The planning process, however structured in a particular institution, becomes critical when something as significant as student success with equity emerges as Job 1 in the future. All units of a college/district have a role to play over a multi-year period if there is to be any chance to close equity gaps. This is not work done on the margins as a special project; rather, it must be a priority at the core of institutional life.

Boards should consider the following:

1. See the opportunity to create a collective vision of the future.
2. See strategic planning as guiding operational planning (next year) and operational planning as guiding the allocation and reallocation of resources.
3. Support an annual cycle of activity to update the strategic vision, develop the operational plan, and allocate or reallocate resources.
4. Support the commitment to ongoing internal and external assessment activity.
5. Look for the identification of strategic and critical issues emerging from ongoing assessment activity.
6. Expect the CEO to identify a limited set of priorities for the next year out of the identified strategic and critical issues.
7. Expect the priorities to strongly influence the allocation and reallocation of resources.
8. Expect all units of the college/district to be involved in annual planning and the evaluation of outcomes from the past year.
9. Support a strong institutional research effort to provide data and other useful information at the appropriate time in the planning cycle.

Monitor what matters

College boards are often familiar with financial reports for their institutions. Oversight of buildings, bonds, and budgets are among their fiduciary responsibilities. Similarly, boards are kept informed about current enrollment data.

Without question, a college's financial well-being and its enrollment are important. A focus on student success

shifts the conversation in the board room as progression and completion are elevated as indicators of institutional well-being. “Decisions are made based on the highest likely return on equity, success, completion, and investment, which are not mutually exclusive. Placing a student success agenda at the heart of decision-making thus has the potential to improve the bottom line while at the same time positively impacting the students’ lives, the well-being of communities, and, ultimately, the nation’s competitive status” (McClenney & Mathis, 2011, pp. 17-18).

By reviewing a college’s student success data on a regular basis, a board can monitor progress and foster a climate in which the use of data to inform decision-making becomes a routine way of doing business. Using quantitative and qualitative data to create a culture of evidence and inquiry will become an expectation by boards for determining priorities, allocating resources, and elevating an awareness of all students faring in attaining their educational goals (McClenney&Mathis, 2011).

Texas has adopted student success points as part of the funding formula allocation from the state. In addition to completion rates, interim incentive points reward colleges for gains in student achievement. (See the sections 3 on Finance and 5 on Overview of Texas in this handbook for more details on student success metrics.)

- What percent of potential first-time-ever-in-college students who take initial steps to enroll are actually enrolled on the census date?
- What percent of those enrolled on the census date actually earn no credits in the semester?
- What is the semester course completion rate (C or better) for the term?
- What is the fall-to-spring persistence rate for First Time In College (FTIC) students?
- What percent of FTIC students successfully complete (C or better) English composition and the appropriate credit math course (Algebra, Statistics, or Quantitative Reasoning) in the first year?
- What percent of FTIC students successfully complete credits in a chosen major in the first year?
- What percent of an entering cohort earn credits at the following levels in the first year?

- What is the fall-to-fall persistence rate for FTIC students?
- What is the graduation rate (by entering cohort) after two years for certificate programs and after four years for associate programs?
- What percent of an entering cohort successfully transfer to a university after completing 24 credit hours? 30 credit hours? General Education Core? AA/AS/AAS?
- What are the average credit hours attempted for degree awardees?

F-T	P-T
12+	6+
24+	12+
3-+	18+

Additional monitoring might include the following:

- What percent of FTIC students participate in a high-quality orientation?
- What percent enroll in a student success course (or freshman seminar) in the first term?
- What percent have an educational plan by the end of the first term? First year?
- What percent have an assigned advisor or were assigned to an advising group by chosen major or pathway in the first year?

Understanding guided pathways

Many colleges are developing intentionally designed, clear and coherent educational experiences that guide each student effectively and efficiently from his/her point of entry through to attainment of high-quality credentials and careers with value in the labor market (CCRC, 2015; Johnstone, 2015). Trustees are encouraged to support planning for and monitoring of the ideas described here. There is a clear shift from a focus on courses to a focus on programs taking place all around the country. For more detailed information, see the AACC Pathways Project. Texas community colleges began the Texas Pathways Project five years ago under the direction of the Texas Success Center.

Texas Pathways is a comprehensive, statewide five-year strategy to build capacity for Texas community colleges to implement structured academic and career pathways at scale. Grounded in research and based on the American Association of Community Colleges' Pathways Project, Texas Pathways is an integrated, system-wide approach to student success that guides students from the selection of their high school endorsement through postsecondary education to attainment of high-quality credentials and careers with value in the labor market. Through Texas Pathways, colleges clarify paths to student end goals, help students choose and enter pathways, help students stay on their pathways, and ensure students are learning.

Part of the Texas Pathways Project includes the Board of Trustees Institute. The annual Board of Trustees Institute brings together trustees and CEOs to focus on evidence-based inquiry and participate in guided discussions on how boards can support sustainable institutional change at scale. Through these conversations on governance, the Texas Success Center addresses board responsibilities such as reviewing policy, institutional visioning, and strategic planning, as well as examining disaggregated data that reflect students' experiences.

Brief Overview of Guided Pathways

Connect: mapping pathways to student end goals

Organize programs into "meta-majors" (communities, institutes, pathways, etc.)

Map programs to living-wage jobs and to efficient transfer in majors

Stress early career/transfer exploration

Enter: help students get on a path

A comprehensive program plan identified during the first year at the college

Closely track students' progress

Progress: keep students on a path

Develop schedules based on students' plans

Integrate academic support (advising, career counseling, tutoring, supplemental instruction, etc.) into program "meta- majors" (communities, institutes, pathways, etc.)

Succeed: ensure that students are learning and completing

Develop program-specific learning outcomes

Provide hands-on/experiential learning across programs

Complete a credential leading to a career and further education

KEY: Partnerships with K-12, transfer universities, and employers

PATHWAYS FRAMEWORK

Systemic whole-college reform helping students reach their goals



A VISION FOR STUDENT SUCCESS AND EQUITY

Here is a statement from a college that demonstrates a way for the board and college community to address equity. (See section 4 on **Equity** for details on boards and the role in equitable outcomes.)

Student Success and Equity Committee's preliminary "watermark" for our Strategic Plan:

Success for one is success for all. _____ College honors that we are privileged to be part of a diverse academic community committed to fostering and advocating equity mindedness, inclusivity, civility, and social justice. While we recognize that every one of us has biases, prejudice is learned and can be unlearned, and we reject all forms of discrimination against any member of our community. We

actively work to eliminate any achievement gaps among different student groups and to promote a campus culture of healthy diversity.

The Student Success and Equity Committee (SSEC) supports these efforts by advancing academic support and enrichment, equitable access and success for students, culture competency for faculty, staff and student professional development, cross-cultural dialogue, and student engagement and validation, as well as working to eliminate institutional barriers to the success of all students. These efforts will be measured and informed by meaningful and disaggregated data at institutional and program levels. Unedited document from a college 4/2/2018

BOARD RETREAT INVENTORY

Retreats are times for trustees and CEOs to plan, set goals, evaluate their advancement of board goals, and assess the college's progress in fulfilling its mission and strategic plan. Retreats enable boards and CEOs to clarify roles and expectations away from the demands of regular board meetings. Retreats are generally informal allowing for better working relationships among members. These events are often led by an outside facilitator. Below is an inventory that can be utilized by a board during a retreat.

	STRONGLY DISAGREE 1	DISAGREE 2	UNDECIDED 3	AGREE 4	STRONGLY AGREE 5
1. The Board abides by established rules for conducting business.	1	2	3	4	5
2. The Board understands its policy-making role.	1	2	3	4	5
3. The Board acts as an advocate on behalf of the entire community.	1	2	3	4	5
4. The Board demonstrates ethical behavior in all activities.	1	2	3	4	5
5. Members come to meetings prepared and ready for discussion.	1	2	3	4	5
6. The Board protects the college from inappropriate influences.	1	2	3	4	5
7. The Board creates a mutually-supportive relationship with CEO.	1	2	3	4	5
8. The Board speaks with one voice once a decision is made.	1	2	3	4	5
9. The Board holds the college accountable.	1	2	3	4	5
10. Reports are provided on the characteristics of students.	1	2	3	4	5
11. Reports are provided on indicators of student success.	1	2	3	4	5
12. Budget approval is linked with college priorities.	1	2	3	4	5
13. Approval was given to a strategic plan to serve the area.	1	2	3	4	5
14. A culture of inquiry, evidence, and accountability is in place.	1	2	3	4	5
15. Members are made aware of major changes in the sector.	1	2	3	4	5
16. Student success with equity is one of the priorities.	1	2	3	4	5
17. There are reviews of board policies to support student success.	1	2	3	4	5
18. The college has strong alliances with K-12 and universities.	1	2	3	4	5
19. The Board monitors college effectiveness.	1	2	3	4	5
20. The Board assures financial sustainability.	1	2	3	4	5

Standards of ethical conduct

Board members work with other members in a spirit of harmony and cooperation regardless of differences of opinion that may arise during debates of points at issue.

Accepted standards of conduct include the following:

- Board deliberations reflect priorities to preserve and enhance the college.
- The Board delegates the day-to-day management to the CEO.
- The Board considers the reasonable and relevant interests of external and internal constituencies during deliberations.
- The Board preserves independence from undue influence of external parties.
- Members acknowledge that individual board members have no legal authority outside the board meetings and commit to conduct all relationships on that basis.
- As a fiduciary to the college, a member owes special duties of care and loyalty to the institution as a whole rather than to its constituencies.
- Members are prohibited from disclosure or use of confidential information acquired in the course of official duties.
- Members shall not participate in decisions which involve a direct benefit to them or to a related party.
- Members will not accept any substantial benefit as a reward or inducement for discharge of public duties.
- Employment anywhere within the college/district of any member of the immediate family of a board member must be approved by the board.
- Members shall not assist any person for compensation or a contingent fee in obtaining any contract, claim, license, or other economic benefit from the college.
- Members shall not use college time, property, equipment, or supplies for personal benefit or for the benefit of outside employers or activities.
- Members shall not acquire or hold an interest, directly or indirectly, in any business or undertaking that may be economically beneficial by action over which the board has authority.
- Deliberations of the board in closed sessions may not be released or discussed in public.
- Members agree to abide by and uphold the final majority decision.

***Board actions and behavior
are critical in creating a
climate that is conducive to
closing equity gaps, ensuring
academic quality, and
improving student outcomes***



The Board-CEO Relationship

Section Two



by George R. Boggs

Expectations

CEO and Board evaluation

Policy setting and operations

Cooperation and support for CEO

Special interests

Complaints and suggestions from stakeholders

Protection for college mission and long-term
sustainability

Board members responsibility to the board

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The Board-CEO Relationship

George R. Boggs

No other relationship at a college is as consequential as that between a board and its chief executive officer (CEO). How trustees relate to each other and to the CEO—and how the CEO relates to the trustees—is of great consequence. If these relationships are positive, they set the stage for successful governance and leadership. If they are negative, the college will suffer (McGinnis, Yaqub, & Boggs, 2020, p. 158). Ideally, CEOs and their boards should be a team whose members share common philosophies. The points that follow are derived from the Handbook on CEO-Board Relations and Responsibilities (Boggs, 2006) and are intended to strengthen this most important team.

1. Expectations.

A CEO deserves to know what the board expects from him or her. All too often, these expectations are not explicit, or individual trustees may have different expectations for the CEO. A goal-setting retreat can be an excellent vehicle for a board and its CEO to agree on expectations and directions for the college district.

It is especially important for the board to be clear in its expectations when employing a new CEO. Both the board and the candidate will be evaluating whether there is a good match between the needs of the institution and the strengths of the candidate. An honest conversation about expectations can avoid a mistake (Boggs, 2017).

2. Evaluation.

Evaluation of the CEO is one of the most important responsibilities of a community college board. There are many opportunities for informal evaluative comments during regular interactions between a board and its CEO, but it is a good idea to schedule an annual formal evaluation of the CEO. Improving performance, developing a clearer sense of direction, and reinforcing recognition should be the primary goals of the evaluation. The process and criteria should be understood by—and mutually acceptable to—the board and the CEO.

Boards need to understand that CEOs are faced with conflicting demands, insufficient resources, hectic schedules, and long hours. Progress toward some

college or district goals may take longer than expected when other priorities emerge. Although maintaining a positive institutional climate is an important responsibility for a CEO, the board's evaluation of the CEO must be more than a reflection of current popularity. For an example of a comprehensive CEO evaluation instrument, see Appendix B of the Handbook on CEO-Board Relations and Responsibilities (Boggs, 2006, pp. 47–52).

The formal evaluation should result in a written record of performance upon which the board bases its annual review of the CEO's employment contract. Written evaluations should be sealed and placed in the CEO's personnel file for review only by board members or the CEO.

3. Board self-evaluation.

Board self-evaluation is also an important activity and is an institutional accreditation requirement (SACS-COC, 2017, p. 13). The evaluation should be scheduled annually in conjunction with a workshop on board function and progress toward goal accomplishment. For an example of a self-evaluation instrument for boards, see Appendix C of the Handbook on CEO-Board Relations and Responsibilities (Boggs, 2006, pp. 53–56). The Association of Community College Trustees provides a Guide to Board Self-assessments: www.acct.org/page/guide-board-self-assessments.

4. Policy setting and operations.

Boards have a responsibility to see to it that the institution is well managed. That is not to say that the board should manage the college district. Instead, a board selects and appoints a CEO to lead the administration of the college district. CEOs expect trustees to give them the freedom to operate the district and to accomplish the goals which have been mutually set. Boards should honor the internal governance systems of the college district. Individual trustees should not try to direct the actions of their CEO. Individually, trustees can make suggestions; the board majority in an official board meeting can direct the CEO.

The line that distinguishes governance from management—or policy setting from implementation—is sometimes not distinct, so it is important for both CEOs and trustees to carefully consider their decisions and actions. One way to think about the distinction is

that boards should focus on “what” and CEOs should focus on “how.” An example would be a board policy that the college district will increase student access to learning materials. The implementation might be that the college libraries and computer laboratories will be open until 10:00 pm on weekdays and until 12:00 pm on weekends.

Trustees set policy based upon information they receive in board agenda packets and board meetings. They need to be sure the information is accurate and reliable. After they approve the policies, they need to be sure that they are implemented as intended. The tool trustees use to accomplish these tasks is the ability to ask questions. However, boards should be aware that every request they make, including requests for information and reports, has a cost to the district.

5. Harmony and cooperation.

Trustees should understand the importance of working with fellow board members and the CEO in a spirit of harmony and cooperation in spite of differences of opinion that may arise during vigorous debates of points at issue. Trustee and CEO behaviors are very visible and set the tone for other relationships throughout the college district.

6. Support for the CEO.

CEOs often come under attack because they are visible targets symbolizing the district. The confidence and trust between a board and a CEO must be based upon a strong and consistent relationship and not wax and wane with immediate concerns of the campus community. Boards can do a great deal to support, both publicly and privately, a CEO under fire for making an unpopular, but correct, decision.

If a board majority does not have confidence that the CEO is willing or able to carry out its policies and lead the institution, it must act to change the CEO. Ideally, this kind of change should be done in an orderly and discrete fashion. Tension or lack of trust between a CEO and a board can be very disruptive for the entire college district.

7. Special interests.

Every person has special interests, and most of us belong to groups which advocate for certain values, ideals, or political or religious beliefs. Some board members or their relatives may be employed by businesses that are potential contractors with the college district. However, neither trustees nor CEOs should use their positions to place any special interest above the interest of the college district. Even the appearance of a conflict creates negative publicity and perhaps legal problems for both the college district and the individuals involved.

Generally, trustees should avoid intimate relationships with district employees. However, trustees sometimes have relatives in the employ of the college district they govern, presenting the potential for conflicts of interest. The CEO and the other trustees should be aware of this potential and advise the affected trustee when there is an appearance of a such a conflict.

8. Referral of complaints and suggestions.

Trustees often receive communications from community members, students, or employees of the college district. If the communication reveals a potential administrative problem, the board member should refer it to the CEO to address through appropriate administrative channels. If the person is trying to influence a board decision or policy, the trustee may choose to listen but should reserve judgment for the board room, where recommendations from college governance committees and the CEO can be heard. Trustees should never commit to any course of action based upon what they hear from individuals outside of a board meeting.

9. The CEO as the primary contact.

The office of the CEO should be the main point of contact between the board and the college district. Having a separate board office on the campus or hiring separate staff for the board threatens the effectiveness of the CEO and invites the board to cross the line between policy and implementation.

Some CEOs want all communications from board members to pass through them. The CEO can then contact appropriate staff members to gather information before answering the trustee's questions. Other CEOs are comfortable with trustees contacting other members of the executive leadership team so long

as the CEO knows about the contacts and their nature. If this is the case, it is important for both the trustees and the executive leadership team to keep the CEO in the information loop.

Trustees may visit campus(es) occasionally to become better informed by talking with students and employees. Although trustees should not feel that they need the CEO's permission to visit, the CEO should always be informed. The CEO's staff can help to facilitate a visit. A trustee who does not inform the CEO of a campus visit can, by this action, convey a lack of trust in the CEO. A trustee who consistently attends college committee meetings runs the risk of inhibiting discussion and interfering with a process which is intended to bring informed recommendations to the board.

10. Protection of the mission.

The most important responsibility of a board of trustees is to establish and protect the college mission. Trustees must make sure that the institution's programs conform to its stated purpose and that district funds are spent in support of the mission of student learning. Policies set by the board must be in support of the mission.

11. Protection of long-term sustainability.

Boards have a special responsibility for future generations of students. While district and college staff may be focused upon short-term problems, trustees have an obligation to insist on long-term planning. It is not the responsibility of the board to draw up the long-range plans but to insist that the administration and the faculty do so in terms that the board can approve.

Boards must also ensure that colleges have adequate physical facilities. Because colleges are human service institutions, employees tend to focus on the problems of its people and can lose sight of long-term needs for facilities.

12. Adequate preparation.

Trustees must pledge to devote sufficient time, thought, and study to their duties as board members so they can render effective and creditable service. This means attending board meetings on time, reading agenda materials, and preparing for meetings. Trustees who need additional information about an item on the agenda should let the CEO know enough in advance to prepare the information. Trustees should not surprise the CEO or other district staff at a board meeting. Trustees who attend board meetings unprepared not only lose effectiveness themselves but also affect the operation of the entire board.

13. Confidentiality.

Deliberations and discussions of the board, staff, and legal counsel in closed or executive sessions are not to be released or discussed in public without the prior approval of the board by majority vote. Open meeting laws in most states restrict closed-session topics to such items as personnel matters, student discipline, pending litigation, salary negotiations, and land acquisition. Disclosure of confidential information is not only unethical, it may also result in litigation against the district and individuals involved.

14. Avoid public criticism.

Trustees should never criticize their CEO or other college staff in an open meeting. Formative evaluation comments can be made to the CEO in private. Closed sessions can be scheduled to evaluate the CEO, if needed. Public criticism undermines the ability of the CEO to provide effective leadership.

15. Control inappropriate behavior.

A CEO should not be expected to discipline a disruptive trustee. The board chair or other influential board member can be very helpful by discussing concerns with a particular trustee in private. There may be occasions in which the whole board may have to deal with a disruptive trustee or with one who is not living up to expectations or standards of ethics. Unfortunately, open-meeting laws do not usually permit a board to address trustee behavioral issues in closed or executive sessions. The **Texas Education Code** 3.E.130.0845 states that a member of the board of trustees of a junior college district may be removed from the board if the

member is absent from more than half of the regularly scheduled board meetings. For an example of a code of ethics for boards, see Appendix D of the Handbook on CEO-Board Relations and Responsibilities (Boggs, 2006, pp. 57–58). The Association of Community College Trustees provides a Guide to Ethical Governance.

16. Recognition.

Public recognition for achievements can be an important motivator. Although a good CEO will frequently recognize other staff members and extend credit for successes to others, a CEO is often uncomfortable pointing out personal and professional achievements. Trustees, however, should publicly recognize the CEO, as well as other college employees, for their achievements.

17. Support the professional involvement and development.

Trustees should provide sufficient funds for the CEO to travel to represent the district and to engage in professional activities. Boards have a lot invested in their CEOs. It is important to protect and develop that investment by making sure that the CEO has support to attend important conferences and to serve on important professional commissions and committees. New CEOs, in particular, should be encouraged to attend professional development programs. Funding for an executive coach or mentor can also be a significant support for new CEOs.

Likewise, it is important for trustees to attend conferences and to engage in professional development activities. Trustees can improve their skills, become better informed, and learn from their colleagues in other districts. Trying to save money by cutting board and CEO travel budgets can prove costly in the long run.

18. The CEO employment contract.

The CEO's contract should clearly state the terms of employment, including duties, salary, benefits, expense allowances, important working conditions, and term of office. CEOs and boards should never agree to any benefit which is not included in writing in the contract (Boggs & Brown, 2007, p. viii). The contract serves as a written record and can be used to prevent misunderstandings which could otherwise prove to be embarrassing to the CEO and the board.

One important provision for a board to consider in a CEO contract is a sufficient expense allowance for the CEO to attend important community activities and to represent the district at local events. The CEO is often the most visible symbol of the college district. If community leaders view the CEO as a supporter of the community, they are more likely to support the college district.

When districts have effective CEOs, boards should do what they can, within reason, to retain them. The correct match between the skills and abilities of the CEO and the leadership needs of the district is not always easy to find. Moreover, a CEO search is costly in terms of time and money. Common contract provisions for CEOs can be obtained from state and national associations.

19. Leadership changes.

If the board majority determines that it is necessary to make a change in CEO leadership, the board should communicate this to the CEO in a closed-session board meeting. It would be unusual for a CEO to be surprised by an action like this because of the informal and formal feedback provided by the evaluation process. Nonetheless, it is important for the board to make its decision known to the CEO clearly and in enough time for the CEO to plan for the future. Likewise, it is important for the CEO to communicate plans to leave a leadership position in a timely enough manner for the board to plan for the future of the district.

All too often, changes in leadership are accompanied by controversy. Newspaper articles and contentious lawsuits focus negative attention on the district, the board, and the CEO. Barring evidence of unethical conduct on the part of the CEO, the board's responsibility to protect the CEO does not end until the CEO leaves. If the board were to help with the transition of the CEO, it should be possible to avoid these problems.

The community college districts which have been identified as the best are districts which have histories of strong and stable leadership at the board and CEO levels. Positive relationships between boards and CEOs do not develop accidentally. They must be continually nourished and developed. By understanding the expectations that boards hold for them, CEOs can provide the level of support their trustees deserve.



Trustees should understand the importance of working with fellow board members and the CEO in a spirit of harmony and cooperation in spite of differences of opinion that may arise during vigorous debates of points at issue. Trustee and CEO behaviors are very visible and set the tone for other relationships throughout the college district.



Fiscal Responsibilities of the Board



Section Three



by Ben Ferrell

The Budget

Budget Types

Budget Process

Unrestricted Revenue Sources

Restricted Revenue Sources

Expense Categories

Capital Projects

What could Possibly Go Wrong?

Fiscal Policy

Monitoring the Fiscal Status

Operating Budget Monitoring Reports

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Annual Financial Report



The Fiscal Responsibilities of the Board

Ben Ferrell

The financial administration of a public (tax supported) Texas community college, regardless of size, is a complex undertaking that must comply with a myriad of state laws that exist in multiple sections of state statute codes. There are also numerous financial reports that must be filed annually and biennially with the state that provide information to state oversight agencies, and those data are incorporated into the state budget process. This guide is not intended to be a comprehensive manual of everything involved in community college financial administration, but rather it is an overview of the major areas of fiscal responsibility expected of a public community college board in the State of Texas.

The three major areas covered are listed below and will be discussed in turn.

THE BUDGET

FISCAL POLICY

MONITORING THE FINANCIAL STATUS OF THE COLLEGE

While much of the day-to-day work is delegated to the college's administration, the board has ultimate responsibility in these areas. The board's authority in these areas (and many others) is found in the Texas Education Code, Section 130, Junior College Districts.

The Budget

The budget serves as an intentional financial plan for each fiscal year (September 1 through August 31) to support and advance the philosophical and strategic

aspirations of the college's mission. At the same time, the budget serves as the primary focal point of fiscal control, demonstrating fiduciary responsibility over the financial resources of the college entrusted to the board. Therefore, budget preparation should be guided by the college's strategic plan in funding and sustaining an educational environment that promotes student success in an open access educational setting. Then, upon board approval, the budget is monitored regularly to maintain fiscal control and financial stability to achieve the intended outcomes.

The following section gives overviews of the various aspects of budgets and budgeting, including overall concepts, types of budgets, and the typical elements of revenues and expenses used in the budget.

Concepts

- The college's fiscal year is the same as the State's, September 1 through August 31.
- Generally, budget preparation is the responsibility of the president of the college.
- The board may establish policies/priorities to be followed in budget preparation.
- The board approves or denies funding for the president's budget.
- The president typically delegates budget preparation to the college's chief financial officer (CFO).
- The CFO builds, implements, and monitors the budget on behalf of the president.
- The president should work closely with the CFO during budget preparation.
- The CFO monitors budget status periodically throughout the year and reports results to the president.
- The president reports the college's financial condition to the board.

Strategy

- Budgets are annual by nature but should be informed by longer term factors.
- Vigilance regarding economic trends and political environments is a must.
- Academic and facilities master planning provide coherence to strategic budget decisions.
- Expect the unexpected, and have strategies for budget responses under various scenarios.

Budget Types

- Operating Budget - The main annual unrestricted budget for college operations.
- Restricted Budget - The budget for all single purpose grant/gift funds provided to the college.
- Capital Budget - The budget for major construction/renovation projects for college facilities.

Budget Process

- The board and the president determine the funding priorities for the coming fiscal year.
- Revenues for the next fiscal year are estimated by CFO.
- College departments formulate expense budgets based on college budget priorities
- Revenue and expense budgets are reconciled and balanced.
- Budget workshops are typically held by the president with the board.
- The budget is approved by the board (approval dates vary at board discretion).
- The district tax rate to support the budget is set by the board.
- The approved budget goes "live" September 1 and ends August 31.

Unrestricted Revenue Sources

- Tuition and Fees - The board has nearly total discretion by law in setting all charges (Texas Education Code, Section 130.084(b)). However, certain minimums apply per the Texas Education Code 54.051(n).
- District Taxes - The board sets the rate annually, consistent with state tax codes (Texas Education Code, Section 130.121).
- State Appropriations - The state Legislature determines the total biennial amount for community colleges. Amounts appropriated vary and are determined by state budget demands and economic conditions. Actual appropriations to each college are determined through a formula by the Texas Higher Education Coordinating Board and are based on enrollment data (contact hours = course length x hours per week).
- Auxiliary Services Revenues - Typically campus student housing, bookstore, food services
- Other Revenues - All other unrestricted charges not included above

Restricted Revenues

- Revenues (grants and designated gifts) are provided to a college for specific purposes, such as financial aid, funding for special programs, or other federal, state, or private initiatives.
- Each grant/gift will have its own contract with the college, and funds can only be spent for that purpose or are returned to the grantor.
- Restricted funds should not be commingled with the unrestricted operating budget, as this can skew and confuse operating results significantly.
- Bond proceeds issued for construction purposes are also restricted to the purposes stated in the bonds' legal covenants.
- Note that as a matter of board policy, a restricted and private philanthropic gift to the college may be directed to a separate but related non-profit foundation created for the purpose.

Expense Categories

- The primary operating expense categories are salaries, benefits, and other operating expenses. Salaries and benefits are typically 70% to 80% of all expenses.
- These primary categories are usually broken down into many sub-codes for detailed budget tracking and reporting, whether by department or summary by expense code for the entire college.
- Generally, unrestricted revenues may be expended for any college purpose, although state appropriations are to be “used exclusively for the purpose of paying salaries of the instructional and administrative forces of the several institutions and the purchase of supplies and materials for instructional purposes” (Texas Education Code, Section 130.003(c)). As a practical matter, these expenses far exceed the amount of state appropriations at most colleges and are deemed to have been spent in support of the stated purpose.

- There are certain additional restrictions on the use of unrestricted funds, namely that district taxes may not be used or pledged for debt service without specific district voter approval (Texas Education Code, Section 130.122(b)), and only 25% of each tuition dollar may be pledged toward debt service on certain bonds (Texas Education Code, Section 130.123).
- Expenses related to major construction or renovations of facilities should be accounted for in a separate capital budget as opposed to the operating budget, although subsequent debt service payments would be part of the operating budget since the revenue sources for the debt service would come from the operating revenues.

Capital Projects

- Capital projects are usually planned and executed over multiple years and are funded by long-term bond proceeds, unless the college has saved up sufficient cash for them or received philanthropic donations. Because of the multi-year nature of these projects and the multi-million dollars usually involved, capital budgets are kept separate from the operating budget so as not to distort or complicate operational budget monitoring for both the administrative staff or the board. Again, debt service payments after project completion would be included in the operating expense budget because that's where the money to pay the debt service comes from.
- Issuing bonds (or other debt) for major construction projects is complex and regulated by numerous state and federal securities laws. A board's authority to issue debt is covered under the Texas Education Code, Section 130.122 – 130.130.
- Boards typically engage a municipal bond advisory firm and legal representation to organize and manage the debt issuance process for the college.

What Could Possibly Go Wrong?

The main threats to a budget include:

- Budgeting errors (overestimating revenues, underestimating expenses, omissions)
- Economic disruptions that can result in mid-year state appropriation reductions

- Dramatic and sudden drops in enrollment (unusual)
- Underestimating construction/renovation costs (common)
- Other unforeseen events, such as spikes in utility/ commodity prices and pandemics
- Expect the unexpected; there will nearly always be something

FISCAL POLICY

Texas public community college boards govern through policy and hire the president of the college to carry out board policy in the administration of college operations.

Boards are given broad latitude under the Texas Education Code, Section 130 in their governance of their college. While multiple state laws govern the colleges at a certain level, in many cases, the local board has broad discretion in determining how it complies with the various laws. For example, while state law requires an investment policy to be adopted and reviewed by the board annually (Texas Government Code Section 2256.005 (e)), the local board may determine which investments it will allow (or not) within the parameters of state law. In other words, the local board may prefer a more restrictive selection of college investments than the state law allows.

Another consideration is that state law is often confusing and sometimes conflicting as to which codes apply to community colleges as opposed to K-12 schools or other state governmental types. An example is the selection of a bank. The laws that K-12 boards must comply with is more restrictive as to selection and renewal requirements than the laws available to community colleges. The community college may choose which law it prefers and specify the law it will use in policy.

The Texas Association of School Boards (TASB) provides a service to assist boards in formulating and maintaining policies that is increasingly popular with colleges in managing the complexities of state laws and the local board policies that help comply with them. Smaller colleges are often reluctant to use the TASB service due to cost factors, but many have ultimately decided to use TASB as a practical way to develop and maintain adequate policies in a timely and realistic manner.

An example of local fiscal policies that boards should have in place include (but are not limited to):

- Policy formulation and review processes
- Master and facilities planning expectations
- Budget approval timelines
- Investment policy.
- Legal counsel
- Independent audit services
- Banking (depository contract procurement/renewal)
- Delegations of contract authority (with limits) to chief executive officer
- Construction contract selection and approval limits
- Salary and benefits offerings
- Reports to the board
- Other financial policy matters

The policy areas listed above are defined by the local board within the parameters of state law and without a local board policy would essentially be open to individual staff interpretation whenever a related issue arose.

MONITORING FISCAL STATUS

Boards are often asked, “How are we doing financially?” Usually, what is being asked here is where will the college budget end up at the end of the fiscal year on a cash or near cash (charged but not paid yet) basis. A good answer should be something along the lines of “The college is currently projecting a budget surplus of \$X as of next August 31.” Since it is nearly impossible to spend a balanced budget down to exactly \$0 and surprise deficits are generally frowned upon by all, at least a small surplus (or better) is to be expected at the fiscal year-end. This is the key financial indicator for monitoring fiscal status.

There are four primary methods of monitoring fiscal status.

1. **Operating budget monitoring reports (aka monthly financial reports)**
2. **Capital projects budget monitoring reports**
3. **The Annual Financial Report (aka AFR, the Audit)**
4. **The Audit**

By far, the budget monitoring reports listed above are the most important in monitoring the financial status of the college during the fiscal year due to their cash focus and more granular detail by revenue source and natural expense classifications (salaries, benefits, supplies, utilities, etc.).

Operating budget monitoring reports are management reports designed to track the operating budget approved by the board. The reports should be cash or near cash based and focus only on the unrestricted operating budget. The point of isolating the unrestricted operating budget is to spot any budget problems that may be brewing early in the fiscal year and take early action to address them. The later in the fiscal year budget problems are identified, the less options the college will have in dealing with them, as the money will have already been spent or obligated.

BUDGET MONITORING SHOULD INCLUDE:

1. The approved, unrestricted operating budget shown in revenue and expense lines by natural classifications (for the college as a whole, not by department) such as:

REVENUES

- Tuition, In District
- Tuition, Out of District (etc.)
- Major Fees (listed individually)
- State Appropriations by Type
- District Taxes (current and delinquent collections shown separately)
- Other Revenues (detailed as desired)
- Auxiliary Revenues

EXPENSES

- Full-time Faculty Salaries
- Part-time Faculty Salaries
- Faculty Overloads
- Summer Faculty
- Full-time Staff
- Part-time Staff (etc.)
- Student Staff
- Employee Benefits (detailed by type)
- Other Major Expenses (detailed by type, as desired)

- Debt Service
- Auxiliary Expense details should be included in the above budget if not outsourced, since operating funds will have to make up any shortfalls in these revenues.

2. Initially, the approved budget is arrayed over the entire fiscal year by month according to the historical percentage each revenue and expense line had occurred in the previous year(s) for each month (e.g., full-time salaries/12 months). Known increase/decrease differences from the previous year can then be added and totaled to equal the approved budget for the year for each line.

3. As each month ends, actual figures replace the initial budget amounts in that month, and variances to the year-end budget are examined as to the cause.

4. Based on actual results, assumptions are reviewed for the remainder of the year, and year-end net revenues are recalculated.

5. The original approved budget does not have to be amended during the year upon new knowledge, but it can be if the board desires.

6. This method of budget monitoring will provide early indications of either positive or negative budget variances, as well as where they are coming from (and when). The year-end projections based thereon can inform timely budget actions sooner rather than later and prevent budget “surprises” at year end.

7. This type of analysis is also extremely useful for budget preparation for the next fiscal year and beyond.

Capital projects budget monitoring reports often span multiple years, and problems in this area are usually measured in the millions of dollars. Problems can be due to poor original cost estimates, unforeseen price spikes in major construction materials, or cost overruns due to weather, design changes, or undetected environmental hazards. When colleges run into serious financial problems, one of the first questions is: “Was there a construction project going on?”

An example of regular budget reporting to the board containing elements similar to those described here can be found on Austin Community College's financial reporting website at: www.austincc.edu/offices/business-services/record-to-report/financial-statements

The Annual Financial Report (AFR, CAFR) is much different in nature than the budget monitoring reports in that the AFR must conform to the Governmental Accounting Standards Board (GASB) reporting requirements for public colleges and universities nationwide. These reporting requirements are intended to provide a very comprehensive and somewhat conceptual long-term view of the financial condition of the college.

For uniformity in college AFRs, the Texas Higher Education Coordinating Board (THECB) produces and updates an excellent reporting manual titled Budget Requirements and Annual Financial Reporting Requirements for Texas Public Community Colleges. This manual is used by both the college's financial administration in preparing the AFR and the audit firms that conduct audits of college financial statements. The manual basically requires that the AFR must conform to the GASB reporting standards and also includes certain supplemental information the THECB requires for its purposes. The manual can be found at:

reportcenter.highered.texas.gov/agency-publication/guidelines-manuals/annual-financial-reporting-manual-for-texas-public-community-colleges-2020/

The AFR contains a wealth of information about the college's finances and overall financial health, and it consists of the following main items.

1. Independent auditor's report (the Opinion report)
2. Management's Discussion and Analysis (MD&A) (financial summary and economic outlook)
3. Statement of Net Position (aka Balance Sheet)
4. Statement of Revenues, Expenses, and Changes in Net Position (Income Statement)
5. Statement of Cash Flows
6. Notes to the Financial Statements
7. Supplementary Information/Schedules

The Notes to the Financial Statements provide important details or disclosures about the items found

in the financial statements, and the Supplementary Information/Schedules also provide much additional detail.

As noted earlier, it is important for the board to note that the GASB requires that the AFR must include theoretical accounting concepts that can produce notable discrepancies between the AFR and the budget monitoring reports, such as the AFR reducing actual tuition and fee revenues by a student's financial aid that paid them (considered "discounts" by the GASB). The amount of these "discounts" can reduce reported tuition and fees by 50% or more in the AFR. The amount discounted is shown next to the revenue line in the AFR and must be added back to the reported AFR amount to get anywhere near the amount of actual tuition and fee charges shown in the budget monitoring reports.

The GASB also requires non-cash items, such as the depreciation of equipment and facilities (GASB 34/35) and more recently the accruals of very long-term assets and liabilities mostly related to post-employment (retiree) benefits (GASB 68 and 75). The inclusion of these reporting requirements, particularly the post-employee benefits, have resulted in large negative, unrestricted net positions (aka fund balances) in the AFRs of many Texas public community colleges that are actually in excellent financial condition with well-managed budgets. For these reasons and others, the board should focus on the budget management reports rather than the Annual Financial Report, or monthly statements prepared in compliance with AFR/GASB reporting requirements, to get an accurate picture of the college's financial condition. As long as the operating cash budget ends the year with a positive balance and the capital budget (if any) is on track, then things are going as planned.

Boards should note that credit rating agencies that rate college bond issues (i.e. Standard & Poor's, Moody's, Fitch) use the college's audited AFR but remove many GASB-required elements to get a more accurate picture of the college's financial condition before making their ratings determination, especially the more recent GASB pronouncements like GASB 68 & 75. So, a negative, unrestricted fund balance due to those pronouncements should be of little concern.

The Audit.

The AFR report must also be audited by an independent CPA firm each year and thus is often referred to as “the audit.” The audit is required by the THECB and also by the Texas Education Code, Section 44.008, which applies to community colleges unless superseded by other law. An audit is also mentioned in passing in the Texas Education Code, Section 130.003(c).

Technically, the college should prepare the financial statements in GASB format, and the auditors audit the figures. However, auditors often assist college staff with getting the data into the required GASB format using their software programs.

What the audit provides:

- An independent source of assurance to the board and the public that the college’s financial statements “present fairly in all material respects” (or not) the financial position of the college as of the fiscal year end date
- Assurance that the financial report complies with the accounting standards prescribed by the GASB (or not)
- A report on the college’s internal controls over financial transactions, and a report of any material deficiencies therein
- An audit of restricted funds compliance with grantor restrictions (grants, financial aid)
- A fairly detailed analysis of various elements of the financial statements and a comparison to that of the previous year
- A “clean” opinion from the auditor and few (if any) deficiencies in the college’s internal controls mean a lot of things had to go right in the college’s financial area during the fiscal year

What the audit is not:

- The audit is not responsible for detecting fraud, although auditors are required to perform account analyses and seek explanations for unusual variations found in order to provide reasonable assurance that the financial statements are not misleading.
- The auditors do not make judgements on administrative, or board, decision making.
- The audit does not ensure 100% accuracy, only “reasonable assurance.” A substantial use of statistical sampling and analysis is used.

Note: Other financial status indicators

Other financial indicators that may come to a Board’s attention are certain financial ratios used by the Texas Higher Education Coordinating Board in their annual report: Financial Condition Analysis of Texas Public Community College Districts. Some of these ratios seem to be oriented more toward corporations than governments with taxing districts, and can make a college look like it is financially suspect when it is actually in good condition budgetarily. Prime examples of activities that can have an apparent negative effect on certain financial ratios used in this report are new financial reporting standards, and active building programs that require the planned use of college financial reserves and/or the issuance of revenue supported debt. Should a college be listed as falling below certain ratio standards in this report, the college is given an opportunity to comment, and those comments have been included in the report before publication. Board members should be aware of the results for their college in this report, and the college’s administrative staff responses to any ratios below state standards. The report may be found at: <https://www.highered.texas.gov/institutional-resources-programs/funding-facilities/community-college-financial-condition-report/>



What New Trustees Should Know About



Section Four



About Equity

by Christine McPhail

What is Equity?

How Equity Differs from Equality, Diversity,
and Inclusion

How Equity Matters to the Work of the Board

How Equity Aligns with the Mission of
the Community College

How to Foster a Board Culture of
Equitable Policies

Takeaways for Trustees

ACCT Diversity, Equity, and Inclusion
Implementation Guide



What New Trustees Should Know About Equity

Christine McPhail

Equity is at the core of the mission and well-being of community colleges, and it remains essential to maintaining access and student success. Historically, America's community colleges have been at the forefront of advocating for systemic and long-term change to provide access to higher educational opportunities for underserved student populations. Boards play a critical role in framing and prioritizing resources and strategies for the nation's community colleges.

This chapter provides an overview of critical topics that can inform the work of new trustees. The contents of the present chapter offer information that trustees can use to be aware of how Equity operates within the community college sector.

The chapter topics include:

- What is Equity?
- How Equity differs from equality, diversity, and inclusion
- How Equity matters to the work of the board
- How Equity aligns with the mission of the community college
- How to foster a board culture to support equitable policies and practices
- Take-aways for promoting equitable policies and practices

WHAT IS EQUITY?

Equity in community colleges means that all students should have access to the resources needed to be successful, regardless of their race, gender, sexual orientation, disability, ethnicity, language, religion, family background, or family income (The Aspen Institute).

Equity aims to ensure fair treatment, access, equality of opportunity, and advancement for everyone while also identifying and removing structural barriers that prevent underrepresented students from goal attainment. Equity fosters justice, fairness, and impartiality within the processes, procedures, and distribution of resources in institutions. To tackle Equity, trustees must understand the root causes of outcome disparities in community colleges. Trustees are also encouraged to know how Equity differs from equality, diversity, and inclusion.

Diversity

Representation

Typically includes but not limited to race, color, ethnicity, nationality, religion, socioeconomic status, veteran status, education, marital status, language, age, gender, gender expression, gender identity, sexual orientation, mental or physical ability, genetic information, and learning styles.

Equity

Outcomes and Opportunity

In higher education, equity refers to ensuring that each student receives what they need to be successful through the intentional design of the college experience.

Inclusion

Authentic Engagement

Authentically bringing traditionally excluded individuals and/or groups into processes, activities, and decision/policy making in a way that shares power and ensures equal access to opportunities and resources.

@AchieveTheDream #ATDNetwork #ATDcolleges

Achieving
the Dream™

HOW EQUITY DIFFERS FROM EQUALITY, DIVERSITY, AND INCLUSION

A focus on Equity takes into consideration the varying personal experiences and social identifiers that impact students' educational opportunities, including race, gender, ethnicity, socioeconomic status, disability, family background, and others. To address these inequities, leadership teams and trustees must understand what Equity means and assess the interplay between diversity, equality, equity, and inclusion. Diversity, Equity and Inclusion are all terms used to describe institutional practices that support and foster full participation of underrepresented students in higher education. The definitions below describe how Equity differs from equality, diversity, and inclusion.

What is Diversity?

Diversity involves all the ways people are different, including the various characteristics that make one group or individual different. Diversity refers to ethnicity and race, sex, gender, socioeconomic status, age, etc. Diversity is the number of people that represent this diversity.

What is Inclusion?

Inclusion builds a culture where everyone feels welcome by actively inviting each person or each group to contribute and participate. With their open-door access, community colleges are expected to create an inclusive and welcoming environment that supports and

embraces student differences and offers policies and practices that remove all barriers, discrimination, and intolerance. Inclusion allows each employee and student to be authentically engaged.

How Equity and Equality Differ

Equality means to treat all people the same and ensures them access to the same opportunities, regardless of age, gender, race, sexual orientation, religion, or disability. In the workplace, this also includes equal access to options for all types of workers. While many educators use equality and equity interchangeably, the two terms are different. For example, equality suggests that sameness of treatment should extend to all people, no matter their gender, race, ability, sexual orientation, class, or ethnicity. However, "Equity" relates to justice or proportional fairness. Equity is about providing varying levels of support and assistance to the students to create fairness in our community colleges. Research suggests that while equality focuses on the sameness of treatment, it does not always result in fairness or equity.

HOW EQUITY MATTERS TO THE WORK OF THE BOARD

Equity is essential to the work of the board of trustees because equity helps build fair teaching and learning environments that allow all students, faculty, and staff to get equal opportunities. As leaders and policy-making bodies for community colleges, boards of

trustees help ensure that the colleges articulate and uphold their missions, values, and responsibility to advance opportunity and equitable student success (modified from BoardSource, 2017).

- Equity initiatives bring together stakeholders, perspectives, and ideas to help create a more vital institution.
- The open-door policy requires trustees to demonstrate their responsibility to address barriers and historical factors that have caused unfair conditions. For example, from an access standpoint, because community colleges' mission is to improve access to higher education opportunities, trustees should promote policies and practices that guarantee this.

Every member of the board of trustees needs to understand internal policies and the legal implications of their organizations.

How Equity Aligns with the Mission of the Community College

Almost every community college and many divisions within the institution have mission statements regarding what they expect concerning equitable outcomes. Each institution that wants the board of trustees to address equity must begin by deciding what trustees need to know about aligning equity principles and practices with the mission of the college.

- The institution's mission can serve as a blueprint that guides the trustees' engagement in promoting policies and practices that support Equity.
- Trustees can be major advocates for promoting Equity. Trustees are the face of their community college. They should be expected to use their efforts and abilities to promote the core mission of their institution by promoting policies and practices that support Equity.
- Trustees should rightfully inquire about how equity goals for specific programs, services, and academic programs align with the mission of their college, including review of disaggregated student outcome data.

Trustees must be willing to ask the following questions about how equity aligns with their institution's mission:

1. How does the institution promote equity-focused projects, initiatives, and programs that reflect

the commitment to the college's mission in the communities where the college operates, including those explicitly focused on underrepresented groups?

2. How does the college routinely and consistently address structural inequities and amplify voices that have not traditionally been heard, particularly those of underrepresented communities?
3. What strategies does the institution's leadership team employ to engage trustees and inform them of ways to ensure that the institution embeds and maintains dynamic equity policies and practices in the institution's mission?
4. Does the institution have strategic partners who can help maximize the institution's efforts to promote Equity?
5. How does the institution's leadership team engage those students with the highest needs in the planning, delivery, and evaluation stages of the Equity services, programs, or activities?

"Students bring their full selves with them wherever they go on campus." (Ebenbach, 2017)



How to Foster a Board Culture for Equitable Policies

Trustees and other leaders in positions to implement changes can make a marked difference in the educational outcomes of underserved students if they are willing to embrace an appropriate mindset. The Center for Urban Education (CUE) suggests

that practitioners can practice Equity-mindedness. According to the CUE, Equity-mindedness is a schema that provides an alternative framework for understanding the causes of equity gaps in outcomes and the actions needed to close them. Equity-mindedness encompasses being (1) race conscious, (2) institutionally focused, (3) evidence based, (4) systemically aware, and (5) action oriented (Bensimon et al., 2012; Center for Urban Education, n.d.; Dowd et al., 2015). The term “Equity-mindedness” refers to the perspective or mode of thinking exhibited by practitioners who call attention to patterns of inequity in student outcomes.

Trustees can foster an Equity-minded board culture by:

1. Being willing to take personal and institutional responsibility for crafting policies that promote the success of their students, especially students that have been traditionally underrepresented and come from low-income communities.
2. Critically reassessing their governance practices. It also requires that trustees are race conscious and aware of the social and historical context of exclusionary practices at their institutions.
3. Understanding how to be intentional about promoting policies and practices to support equitable outcomes for all stakeholders.
4. Understanding and creating a commitment to their college’s identified goals concerning Equity.
5. Demonstrating commitment to incorporating equity into board goals and priorities and targeting the institution’s equity goals that translate to specific program outcomes for student learning and institutional effectiveness.
6. Discussing (openly), promoting, and collaborating with other board members to nurture an environment that embraces diversity, equity, and inclusion policies and practices, as well as feeling a personal and institutional responsibility to address them.

Reviewing policies and ensuring that their policies and practices do not foster inequities.

7. Assessing the diversity of their institution, board, and executive team. Could lack of diversity on the leadership team and the board of trustees contribute to bias and influence decision-making?
8. Determining the extent to which their institution

has policies linked to equity principles and practices. Is this situation likely to cause inequitable outcomes? Do the institution’s policies and procedures seek to address the social determinants of Equity?

9. Reviewing language and content in their institution’s equity policies for bias. Ask questions about the data sets being used by their institution; are the data fully representative of the institution’s service area? Are the data regularly disaggregated by race, gender, full-time/part-time enrollment, and Pell status?

An awareness of how systemic inequities have affected community colleges and those the institution serves can enable new board members to avoid unintentional biases that can lead to flawed strategies and create powerful opportunities to deepen the organization’s impact, relevance, and advancement of its mission. Community college trustees have the power to advance educational Equity by providing leadership and crafting policies that promote Equity at all levels in the institution.

Takeaways for Trustees

After reading this chapter, trustees will be able to demonstrate the following:

1. Describe or explain how they will promote Equity in their role as a community college trustee.
2. Articulate why promoting Equity is suitable for their institution and their community.
3. Evaluate the expected impact of equity policies and practices on communities that historical inequities have disproportionately impacted. Do the services, programs, or activities seek to reduce disparities? How will this be achieved?

The Association of Community College Trustees has a guide of resources for **Diversity, Equity, and Inclusion**. The resource provides tools for Boards of Trustees to engage in self-reflection and action to promote the culture and policy of diversity, equity, and inclusion.

Overview of Texas Community Col

Section Five



by Martha Ellis

Texas Community Colleges Districts by Region

Governance of Community Colleges

Local Board of Trustee and Board officers

Southern Association of Colleges and Schools

Commission on Colleges

Texas Higher Education Coordinating Board

Advocacy

Texas Association of Community College

Community College Association of Texas Trustees

College Taxing Districts and Service Areas

Revenue Sources for Operations

Enrollment

Mission and Programs

Economic Impact



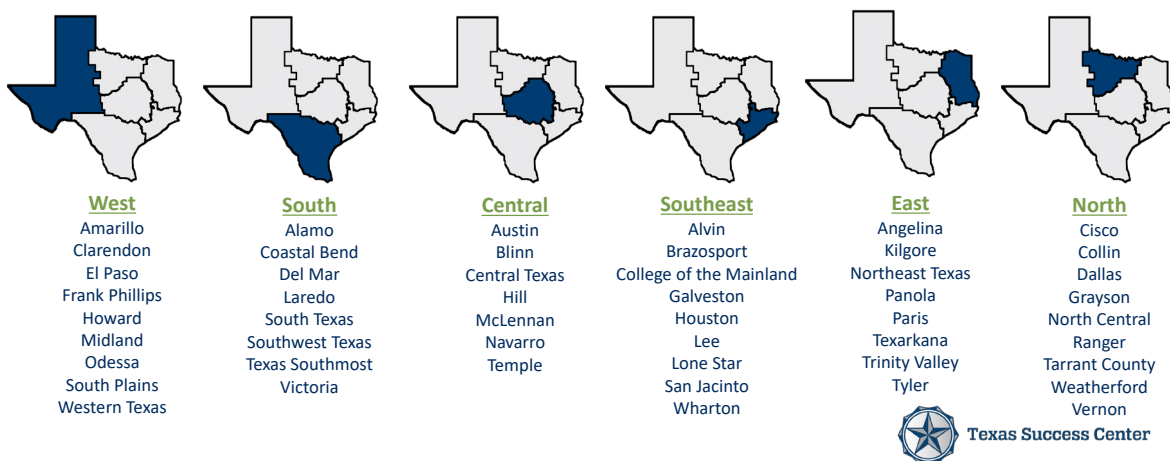
Overview of Texas Community Colleges

Martha Ellis

Texas has 50 independent community college districts, each governed by a locally-elected board of trustees/regents. By design, virtually all Texas residents are within commuting distance of a community college.

The Texas Higher Education Coordinating Board (THECB) categorizes community colleges based on the size of their enrollments. Those categories are very large, large, medium, and small. This size designation can be helpful to trustees to develop peer college benchmarks and see which other colleges are in their size cohort. The institutional profiles starting on **page 46 of THECB almanac** provide the size designation.

Texas Community Colleges



GOVERNANCE

Local Board of Trustees

The boards of trustees of Texas community colleges are generally seven to nine members. They may not be less than five members and may not exceed 14 members. The board members serve six-year terms, and these terms rotate across the membership, enabling continuity for the board. Boards generally meet monthly. All board meetings must follow the Texas Open Meetings Act, and trustees must complete **training** on this act in the first 90 days of their term. All statutory information for boards of trustees can be

found in **Texas Education Code 3. G. 130.H.**

To find specific information for Training for Boards of Trustees, visit the **THECB Governing Board Member Training** page.

Boards of trustees or regents of Texas public community colleges act on behalf of the voters of the State of Texas to ensure that the colleges operate efficiently and in agreement with their missions. The chief executive officer (CEO) reports to the board and is responsible for carrying out the policies established by the board. The governing boards in Texas are lay boards and receive no financial compensation for their service.

Trustees have authority only when they are meeting as a board. The board as a whole is the legal governing unit. Trustees contribute their collective talents, skills, and perspectives to their boards, but they have no individual power. Individual trustees have no authority to direct any college staff or make statements representing the board (unless they are reports of adopted board positions and policy). The trustees support board decisions once they are made.

Training Required by Texas Law

Texas statutes require certain training for governing board members of Texas public institutions and systems of higher education. The information summarized in the table below and on subsequent pages is provided by the Texas Higher Education Coordinating Board (THECB) to assist new governing board members in complying with these training requirements.

A list and description of training required by Boards of Trustees is provided by the Texas Higher Education Board. Training requirements can be met through online or in person at the THECB leadership conference.

Board Officers

Governing board officers provide leadership for the board. Boards usually have a Chair, Vice Chair and Secretary.

All boards of trustees in Texas have a **chair of the board**. The governing board chair plays a key role in the well-being of the board. As the board leader, the Chair is responsible for:

- running effective meetings,
- maintaining parliamentary procedure,
- handling conflicts and crises,
- ensuring ethics and

The **vice chair** is typically the successor to the chair, and the position:

- performs chair responsibilities in the absence of the chair
- works closely with the chair, president, and senior level staff.
- working closely in partnership with the president.

Of course, the vice chair may also be asked to take on other responsibilities as assigned by the board.

The **board secretary** is the member of the board charged with the responsibility of:

- maintaining records of the board;
- ensuring effective management of the institution's records; and
- taking, managing, and ensuring that accurate minutes of the meetings are distributed in a timely fashion.

The secretary should be familiar with the by-laws and other legal documents in order to reference them if necessary during the course of a meeting

Southern Association of Colleges and Schools Commission on Colleges

All Texas community colleges are accredited by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC): <https://sacscoc.org/>. The Southern Association of Colleges and Schools (SACS) is an educational accreditor recognized by the United States Department of Education and the Council for Higher Education Accreditation for the southern United States. The mission of the SACSCOC is to assure the educational quality and improve the effectiveness of its member institutions.

Each college goes through a reaffirmation of accreditation every 10 years to gain or maintain accreditation with the SACSCOC. Every institution must comply with the standards contained in the Principles of Accreditation: Foundations for Quality Enhancement and with the policies and procedures of the Commission. Accreditation enables students to receive financial aid and allows their courses to transfer to other institutions of higher education. The **Principles of Accreditation Manual Section 4** provides the requirements for Governing Boards.

Texas Higher Education Coordinating Board

The **Texas Higher Education Coordinating Board** (THECB) is the state's higher education agency. The THECB provides leadership and coordination for the Texas higher education system, institutions, and governing boards, to the end that the State of Texas may achieve excellence in college education for its youth through the efficient and effective utilization and concentration of all available resources and the

elimination of costly duplication in program offerings, faculties, and physical plants (Education code 3.B.61.002).

The THECB also provides rich data resources for accountability, as they are responsible to the state legislature for the implementation of state budgets and laws that apply to community colleges in the state.

ADVOCACY

Texas Association of Community Colleges

The Texas Association of Community Colleges (TACC) works with lawmakers in the Texas Legislature in an ongoing effort to promote solid policies that improve student education across public community college member districts.

Although much of that work takes place during the Texas Legislative session every two years, building relationships with legislators is a continual process. Throughout the year, the TACC educates decision-makers and influencers about the needs of community colleges—to give Texas students the best chance for academic success.

The TACC is a voluntary member organization of the local community college districts in Texas. The TACC was formally organized in 1947 with its core value firmly centered around improving educational opportunities within Texas community colleges. The organization, earlier known as the Texas Public Community/Junior College Association, was created in 1924 by community college deans and presidents.

Today, it has evolved into a comprehensive association focused on facilitating communication between participating colleges and institutions, lobbying for favorable legislation, and providing important information about the current status of community and junior colleges within Texas.

The TACC builds and maintains relationships with legislators to promote its primary mission of **advocacy**.

In addition to its primary focus on policy, the TACC also supports the **Texas Success Center** (see more information about the Texas Success Center in Section 1 of this handbook) and the **Community College Association of Texas Trustees**.

Community College Association of Texas Trustees

Since 2007, the Community College Association of Texas Trustees (CCATT) has served as an independent, member-supported organization for approximately 400 Texas community college trustees and regents. It is the sole association of elected officials in higher education advocating for community colleges.

The CCATT is the collective voice representing the community college trustees of Texas. This organization also provides professional development for Texas board of trustees members, which includes this handbook. The CCATT holds a statewide conference each year and provides regional convenings and webinars throughout the year.

In Summer 2020, the CCATT Board of Directors met virtually over the course of multiple days to embark on a strategic planning process that would help guide CCATT's short-term and long-term efforts. As a result, CCATT created a new strategic plan, "Focus Forward 2024", that will help lead the association's efforts for the next four years. You can find the complete Focus Forward 2024 Strategic Plan at: https://tacc.org/sites/default/files/2020-09/focus_forward.pdf

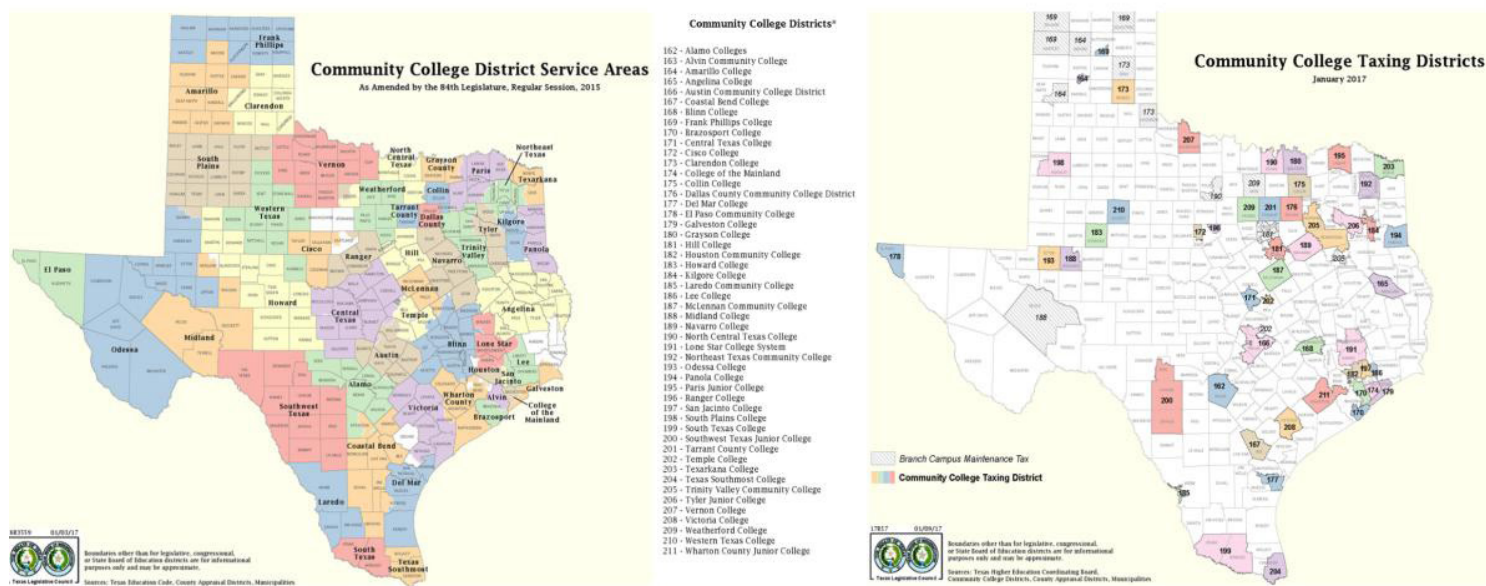
The CCATT board of directors consists of a chair and 12 board members who serve two-year, staggered terms. The board provides vision for strategic legislative advocacy and participation, guides execution and evaluation of CCATT's Momentum 2021 strategic plan and collaborates with numerous entities who support Texas community colleges and their students.

CCATT also has 3 committees to guide the organization in achieving their goals.

Trustee Engagement Committee (KRA 2, Engagement) - goals regarding trustee/regent engagement are to focus on the Association's having a sustainable future with growing membership and engagement and to market the benefits of the Association.

Trustee Education Committee (KRA 3, Trustee Education) - goals regarding trustee/regent education are to develop and assist the Association's providing relevant professional education programs to trustees/regents.

Community College Service Areas & Taxing Districts



Resource Development and Finance Committee (KRA 4, Resource Development & Sustainability) - strategic goals to assist the Association in obtaining adequate financial resources and sustaining the long-term financial viability of the Association. In addition, the Committee is also responsible for general supervision of the financial affairs of the Association and for general supervision of the preparation of the annual budget. The committee will collaborate with the other committees of the Association in structuring the annual budget that will meet the needs of initiatives and programs of such committees in connection with their accomplishing their respective goals and objectives.

GEOGRAPHIC AREAS SERVED

Created specifically to expand access to higher education, the state's 50 community college districts play an important role by meeting the specific educational and vocational needs of their service areas.

Texas community colleges have taxing districts and service areas, as detailed in Education Code .3.J.130.

"Service area" means:

- (A) the territory within the boundaries of the taxing district of a junior college district; and
- (B) the territory outside the boundaries of the

taxing district of a junior college district in which the junior college district provides services. (Texas Education Code 3.J.130.161)

This short three minute video explains service areas in Texas.



A college district may include a single campus, multi-campus, or multiple colleges. All colleges operate on a semester basis. Within each semester there can be a variety of dates for students to begin credit and non-credit courses. Courses can range in length from 16, 12, 8, 6, and 4 weeks. The variety of time frames offer flexibility for full time and part time students.

TEXAS COMMUNITY COLLEGES SERVE THE STATE AT SCALE



47%

Community colleges are the **LARGEST** sector of higher education in Texas.

Institution Type	Fall 2019 Enrollment	% Of Enrollment
COMMUNITY COLLEGES	748,478	47.3%
Texas State Technical College	11,694	0.7%
Lamar State Colleges	9,116	0.6%
Public Universities	657,985	41.6%
Public Medical Institutions	26,169	1.7%
Private Institutions	129,484	8.2%

70%

Of All Freshmen & Sophomores in Higher Education



92%



Of All Career & Technical Education Enrollments & Certificates

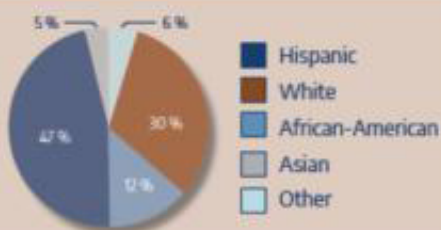
93%



Of All Dual Credit Enrollments (187,846 students)

Community Colleges Reach a **DIVERSE** and **UNDER-SERVED** Population

Enrollments Reflect the **DIVERSITY** of Texas

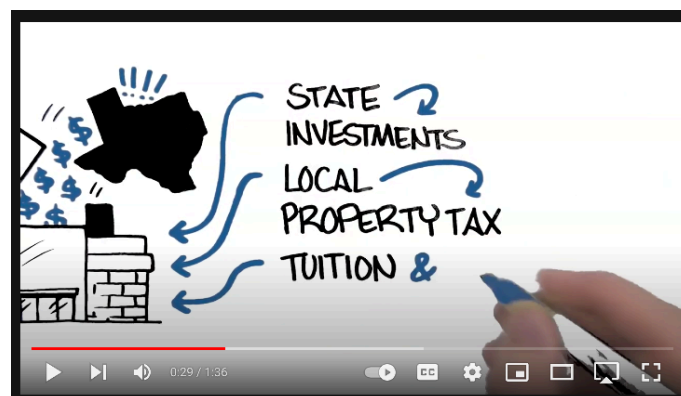


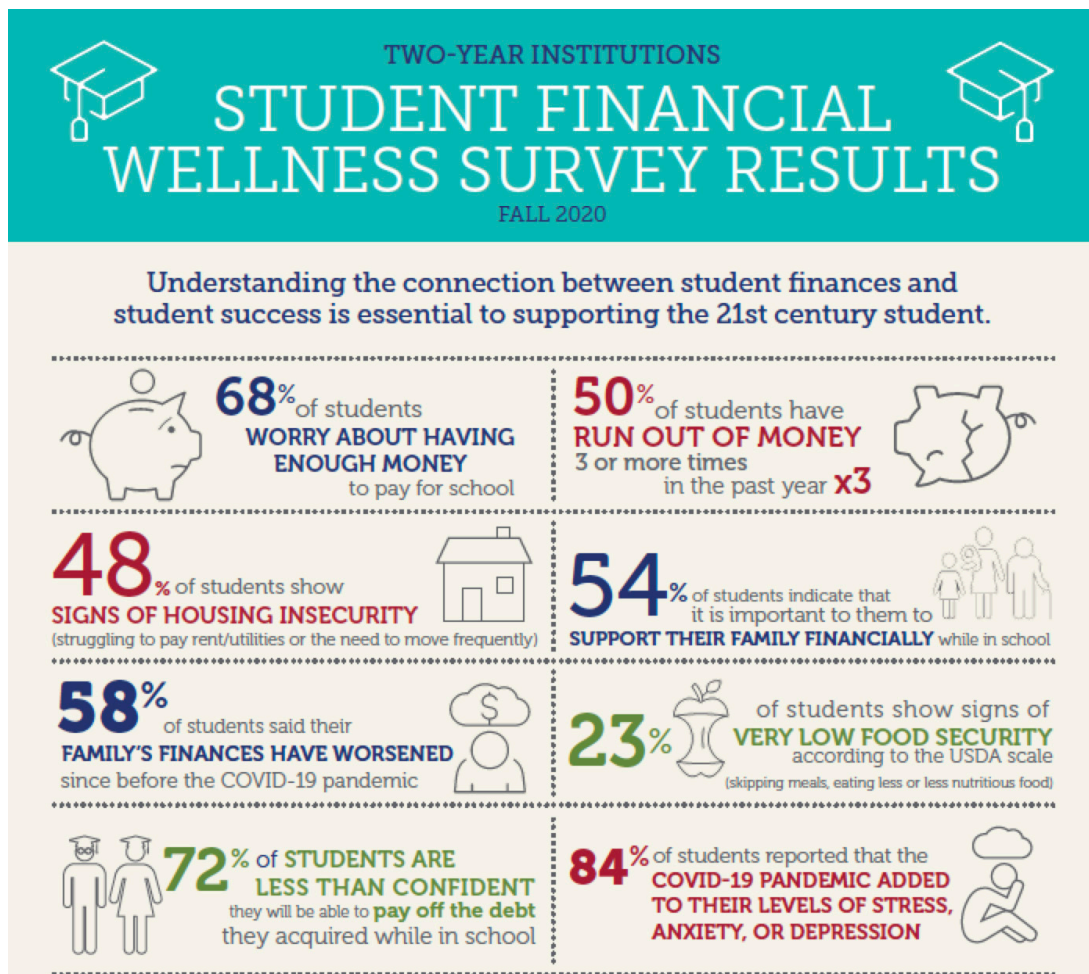
44%

Of Credentials Awarded to **ECONOMICALLY DISADVANTAGED** Students

Revenue Sources for Operations

Texas community colleges have three main sources of revenue: property taxes, tuition and fees, and state appropriations. This short two minute video provides an overview of the 3 primary sources of revenue for Texas community colleges. Every community college is different on the amount they receive from the state. Every community college board of trustees sets the ad valorem rate and tuition and fees for their college.





The TACC provides information on **property tax rates and tuition and fees** for each community college in Texas. State appropriations are based on contact hours and **student success points**. See Section 3 of this handbook on board fiscal responsibilities for more detailed information on revenue streams for community colleges.

The current funding model and amounts from the state of Texas can be found **here**. This information includes contact hour funding, core operations, success points, and insurance. Every fall TACC collects data on community college taxes and tuition/fee charges. Please note that the ad valorem tax revenue for each college district is a projected amount, not the actual amount collected by the district. This information can be accessed at: <https://tacc.org/tacc/college-data>

ENROLLMENT

In Fall 2020, 47 percent of Texas' higher education students—about 750,000—were enrolled in community colleges, which was more than any other type of institution of higher education (IHE) in Texas. The 50 community college districts range in enrollment size from 1,500 to over 82,000 credit students per fall semester. Students come from all walks of life and educational backgrounds. The student bodies at Texas community colleges are quite diverse, as can be seen in the chart below.

Community college also provide continuing education courses for job training and personal enrichment. Only a few of these hours are counted as fundable contact hours. Therefore, there is not a state wide number for continuing education enrollments. Your individual college can provide you with these important enrollment numbers.

Almost ½ of the students at Texas community colleges have financial struggles. A recent survey of Texas community college students, conducted by Trellis Foundation, provides insights into these struggles.

For specific statistics on student characteristics, visit the **Texas Success Center website dashboard by college and statewide.**

MISSION AND PROGRAMS

The State of Texas Education Code Section 3:G.130 contains all statutory rules for community colleges in the State of Texas. According to the code:

Texas public junior colleges shall be two-year institutions primarily serving their local taxing districts and service areas in Texas and offering vocational, technical, and academic courses for certification or associate degrees. Continuing education, remedial and compensatory education consistent with open-admission policies, and programs of counseling and guidance shall be provided. Each institution shall insist on excellence in all academic areas--instruction, research, and public service. Faculty research, using the facilities provided for and consistent with the primary function of each institution, is encouraged. Funding for research should be from private sources, competitively acquired sources, local taxes, and other local revenue. (Texas Education code 3.g.130.0011)

Please refer to section 1 of this handbook for definition and key aspects of the board's role for equity and student success. **The Texas Success Center website** provides valuable resources on improving student success. The Board of Trustees Institute provides time for the Board and CEO to work specifically on setting the direction on student success.

Community colleges were established to:

1. serve as stepping stones to bachelor's degrees; in 2018, 75 percent of four-year college graduates in Texas had credit hours from community colleges (National Student Clearinghouse).
2. provide workforce development, providing the skills and certifications needed for specific occupations. Community colleges awarded 92 percent of all Texas technical certificates and associate degrees in fiscal year 2019. Community colleges also provide continuing education programs that provide deliver non-credit,

industry-based certifications and other career development opportunities.

3. provide remedial and compensatory education.
4. be open-door admissions institutions that provide advising and support to students.

ECONOMIC IMPACT

In 2020, the Comptroller's office requested financial data from Texas' 50 community college districts and conducted statewide and regional studies of their economic impact. Their analysis predated the COVID-19 crisis and the economic impacts that followed. In all, Texas' districts reported revenues of more than \$5.3 billion in fiscal year 2018, which produced \$4.5 billion in additional economic activity by businesses and households for a total annual output of more than \$9.8 billion. Nearly 78,000 jobs are supported by the colleges' spending. Under normal economic conditions, every dollar spent by community colleges produces an additional 86 cents of economic activity, while every dollar spent on compensation produces an additional 38 cents of total income to the state economy.

By any measure of impact, however, community colleges deliver a good return on the investment of time and tuition. Workers in Texas with some college or associate degrees and with stable jobs (defined as those held with the same firm throughout a calendar quarter) earn an average of \$8,393 more annually than high school graduates.

The increase in wages alone for those 3.2 million workers adds an additional \$27.2 billion in direct compensation to the state economy each year—more than five times the total spending of the state's community colleges.

For economic impact for each community college in Texas visit the TACC website at: **<https://tacc.org/tacc/fact-sheets-policy-briefs>**



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Acronyms and Terms





AACC American Association of Community Colleges

AA DEGREE Associate of Arts: Degree in transfer program for liberal arts and social sciences

AAS DEGREE Associate of Applied Science: Degree in workforce programs

AAT DEGREE Associate of Arts in Teaching: Degree in lower-division courses intended for transfer to baccalaureate programs that lead to initial Texas teacher certification.

ACADEMIC PROGRAMS Programs designed to prepare students for transfer to a four-year university to complete a baccalaureate degree.

AS DEGREE Associate of Science: Degree in Transfer program for science, engineering, technology, and mathematics

ACCT Association of Community College Trustees

ACCREDITATION A peer review process that assures institutional quality. Colleges must be accredited to receive federal funds and ensure course transferability. Texas colleges are accredited by the Southern Association of Colleges and Schools Commission on Colleges.

CAO Chief academic officer-usually the title is a vice president of instruction or vice president of academic affairs.

CBO Chief business officer

CCATT Community College Association of Texas Trustees

CEO Chief executive officer who reports directly to the Board of Trustees/Regents. In Texas, this position may be referred to as a chancellor or president.

CERTIFICATES Granted by colleges to students for specific workforce training programs.

CONTINUING EDUCATION Continuing education refers to any type of post-secondary education, used to either obtain certifications, or skills required for entry into or upskilling in a career. Almost anybody can take continuing education courses for personal or professional enrichment.

CONTRACT TRAINING Courses or programs that provide customized training to business

CORE CURRICULUM A required set of courses that are useful for all college students regardless of program of study.

FAFSA Free Application for Federal Student Aid: the uniform application for federal financial aid

GASB Governmental Accounting Standards Board, which sets standards for financial management, accounting, and reporting for public institutions/agencies.

GUIDED PATHWAYS MODEL The guided pathways model is an integrated, institution-wide approach to student success based on intentionally designed, clear, coherent, and structured educational experiences, informed by available evidence, that guide each student effectively and efficiently from her/his point of entry through to attainment of high-quality postsecondary credentials and careers with value in the labor market.

HOLD HARMLESS Any mechanism to assure that a district does not receive fewer funds under a new funding system or new budget cycle.

KPI Key Performance Indicator: a quantifiable measure of student success over time for a specific objective

MOMENTUM METRICS Measures of students' progress in their first year that predict student completion in subsequent years.

SACSCOC Southern Association of Colleges and Schools Commission on Colleges

TACC Texas Association of Community Colleges

THECB Texas Higher Education Coordinating Board

TRUE Texas Reskilling and Upskilling through Education-legislation passed in the 87th session for this program.

TRANSFER Programs that prepare students to move from a community college to a university leading to a baccalaureate degree.

TSC Texas Success Center

WORKFORCE PROGRAMS Programs designed to prepare students for jobs when they complete the program at the college. The programs can offer certificate and/or associate degree programs. Workforce programs are often referred to as technical education.

