



This Open Meeting of the Board of Trustees is authorized in accordance with the Texas Government Code, §§551.001 through 551.146. Verification of Notice of Meeting and Agenda are on file in the Office of Board Relations. Per Texas Government Code §551.1282, this meeting is being broadcast over the Internet in the manner prescribed by Texas Government Code, §551.128. In accordance with Texas Government Code §551.127 one or more members of the Board of Trustees may participate in the meeting via videoconference in accordance with the provisions thereof.

## **NOTICE OF A FINANCE COMMITTEE MEETING OF THE BOARD OF TRUSTEES FOR DALLAS COLLEGE AND RICHLAND COLLEGIATE HIGH SCHOOL**

**Tuesday, August 8, 2023 | 10:30 AM**

**Administration Office**

**1601 Botham Jean Blvd., Room #036**

**Dallas, TX 75215**

**[Live Streaming of Board Meeting](#)**

*Persons who address the Board are reminded that the Board may not take formal action on matters that are not part of the meeting agenda and may not discuss or deliberate on any topic that is not specifically named in the agenda. For any non-agenda topic introduced during this meeting, there are three (3) permissible responses: 1) to provide a factual answer to a question; 2) to cite specific Board Policy relevant to a topic; or 3) the topic may, at a later date, be placed on a Board Agenda for a subsequent meeting.*

*Speakers shall direct their presentations to the Board Chair, or the Board, as a whole.*

### **Finance Committee Meeting Agenda**

Page

**1. Roll Call - Announcement of a Quorum**

*Committee Members: Cliff Boyd (Committee Chair), Monica Lira Bravo (Member), Catalina E. Garcia (Member)*

## **2. Certification of Notice Posted for the Meeting**

## **3. Citizens Desiring to Address the Board**

## **4. Committee Presentations**

- 4.1. FY2024 Budget Forecast Update 4 - 17  
Presenter: Tiska Thomas
- 4.2. HB8 Performance Based Funding Overview 18 - 44  
Presenters: Terry Di Paolo, Shawnda Floyd, Beatriz Joseph, John Robertson, Tiska Thomas, Pyeper Wilkins, Brad Williams
- 4.3. Rewarding Excellence: Unveiling the Human Resources Compensation Plan for 2023-2024 45 - 61  
Presenters: Louis Burrell, Brad Williams

## **5. Items for Review**

- 5.1. Committee Notes  
a. Finance Committee Notes for June 6, 2023 62 - 66

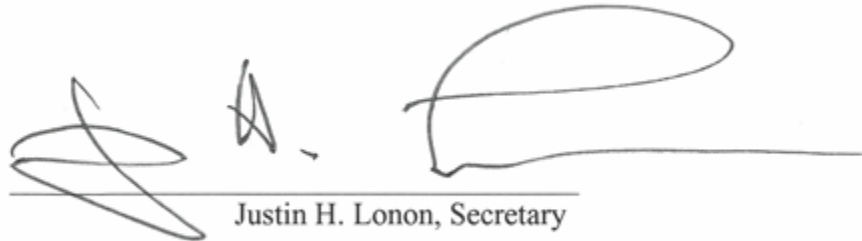
## **6. Executive Session**

- 6.1. Consultation with Attorney Regarding Legal Matters or Pending and/or Contemplated Litigation or Settlement Offers - Section 551.071
- 6.2. Personnel Matters Relating to Appointment, Employment, Evaluation, Assignments, Duties, Discipline, or Dismissal of Officers or Employees - Section 551.074
- 6.3. Deliberate Regarding Real Property Since Open Deliberation would have a Detrimental Effect Upon Negotiations with a Third Person - Section 551.072
- 6.4. Deliberate Regarding Security Devices or Security Audits

**7. Adjournment**

*CERTIFICATION OF NOTICE POSTED FOR THE AUGUST 8, 2023 FINANCE COMMITTEE MEETING OF  
DALLAS COLLEGE AND RICHLAND COLLEGIATE HIGH SCHOOL BOARD OF TRUSTEES*

I, Justin H. Lonon, Secretary of the Board of Trustees of Dallas College, do certify that a copy of the notice for this meeting was posted on the 4th day of August 2023 in compliance with the applicable provisions of the Texas Open Meetings Act.



Justin H. Lonon, Secretary



# **FY 2024 Budget Forecast Update**

**Finance Committee  
August 8, 2023**

**Tiska Thomas  
Deputy Chief Business Officer**



- **Revenue Generated From Taxes**

- Estimated total taxable assessed value \$390B
- Estimated tax revenue \$369.3M
- **Calculated \$390.7B**
- **Revenue \$352.1M**
  - What happened?
    - Taxable values subject to appeal under Chapter 42
      - 2022: \$27.4B
      - 2023: \$45.7B
    - Impact tax rate
      - Anticipated reduced tax rate from 2022 @ \$0.09638 to 2023 @ \$0.095899
      - **Real tax rate based on certified TAV is \$0.090261**
    - Change in tax revenue \$17M decrease from projection

# FY2023-2024 Revenue Forecast: What Changed?



- **State Appropriations**

- July funding sheet increased guaranteed funding +\$1.8M
- Financial Aid for Swift Transfer
  - Unknowns: calculation and funding methodology
  - Budget line reflects initial disclosure +\$3.7M

- **Tuition**

- Net Tuition increased +\$2M as scholarship awards aligned more with current anticipated growth pattern

- **Other Revenue**

- Increased investment income +\$4M in line with current year rates and anticipated market trends



- **Net Change in Revenue**
  - Decrease of \$5.7M
- **How will we address decreased revenue projection?**

## Contingency

- Unexpected shifts in revenue or expenditures
- Originally budgeted at \$10M
- Revised contingency \$4.3M
- Allowed budget to remain whole

# Revenue Review



Revenue	Version 1 Budget Book	Version 2 Certified	Difference	% Ver 1 vs Ver 2
State Appropriations	\$ 95,200,000	\$ 96,999,738	\$ 1,799,738	1.9%
Financial Aid for Swift Transfer	-	3,700,000	3,700,000	100.0%
Gross Tuition	133,200,000	133,200,000	-	0.0%
(Less Scholarships & Waivers)	(34,835,000)	(32,835,000)	(2,000,000)	5.7%
Net Tuition	98,365,000	100,365,000	2,000,000	2.0%
Taxes for Current Operations	369,300,000	352,100,000	(17,200,000)	(4.7%)
Federal Grants and Contracts	1,825,000	1,825,000	-	0.0%
Investment Income	7,500,000	11,500,000	4,000,000	53.3%
General Revenue	1,500,000	1,500,000	-	0.0%
<b>TOTAL PROJECTED REVENUE</b>	<b>573,690,000</b>	<b>567,989,738</b>	<b>(5,700,262)</b>	<b>(1.0%)</b>



# Expense Review



Expense Type	Version 1 Budget Book	Version 2 Certified	% of Total	Difference	% Ver 1 vs Ver 2
Salaries and Wages	\$ 339,992,246	\$ 339,992,246	59.9%	-	0.0%
Staff Benefits	39,000,000	39,000,000	6.9%	-	0.0%
Purchased Services	93,454,393	93,454,393	16.5%	-	0.0%
Operating Expenses	51,171,661	51,171,661	9.0%	-	0.0%
Supplies and Equipment	27,571,700	27,571,700	4.9%	-	0.0%
Total	551,190,000	551,190,000	97.0%	-	0.0%
Contingency	10,000,000	4,299,738	0.8%	(5,700,262)	(57.0%)
Allowance: Compensation Study Impact	9,000,000	9,000,000	1.6%	-	0.0%
Transfer to Other Funds:					
Grant Match	3,500,000	3,500,000	0.6%	-	0.0%
<b>TOTAL REQUESTED EXPENDITURES</b>	<b>573,690,000</b>	<b>567,989,738</b>	<b>100.0%</b>	<b>(5,700,262)</b>	<b>(1.0%)</b>

# Motion to Propose Tax Rate



- Motion to propose date to adopt ad valorem tax rate on Board agenda for August 8<sup>th</sup> at 4pm
  - Sets date to adopt, not approval of tax rate
- Adopted tax rate cannot be higher than proposed rate
  - Adopted tax rate may be lower than proposed

CALENDAR YEAR 2023 TAX RATE RECOMMENDATION	
Maintenance & Operation (M&O)	\$0.090261
Interest & Sinking (I&S) – Debt Service	\$0.019767
Total Recommendation	\$0.110028
Voter Approval Rate (VAR)	\$0.110029
No-New Revenue Rate (NNR)	\$0.099353

# Tax Rate Scenario



## Scenario: NNR

No-New Revenue (NNR)	\$0.099353
Interest & Sinking (I&S) Debt Service	\$0.019767
Net - M&O NNR	\$0.079586

Calculated TAV \$390.7B

Revenue Generated at M&O NNR	\$310.3M
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2022 Tax Revenue	\$338M
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## Scenario: Proposed

No-New Revenue (NNR)	\$0.099353
Interest & Sinking (I&S) Debt Service	\$0.019767
Proposed M&O Rate	\$0.090261

Calculated TAV \$390.7B

Revenue Generated at Proposed M&O	\$352.1M
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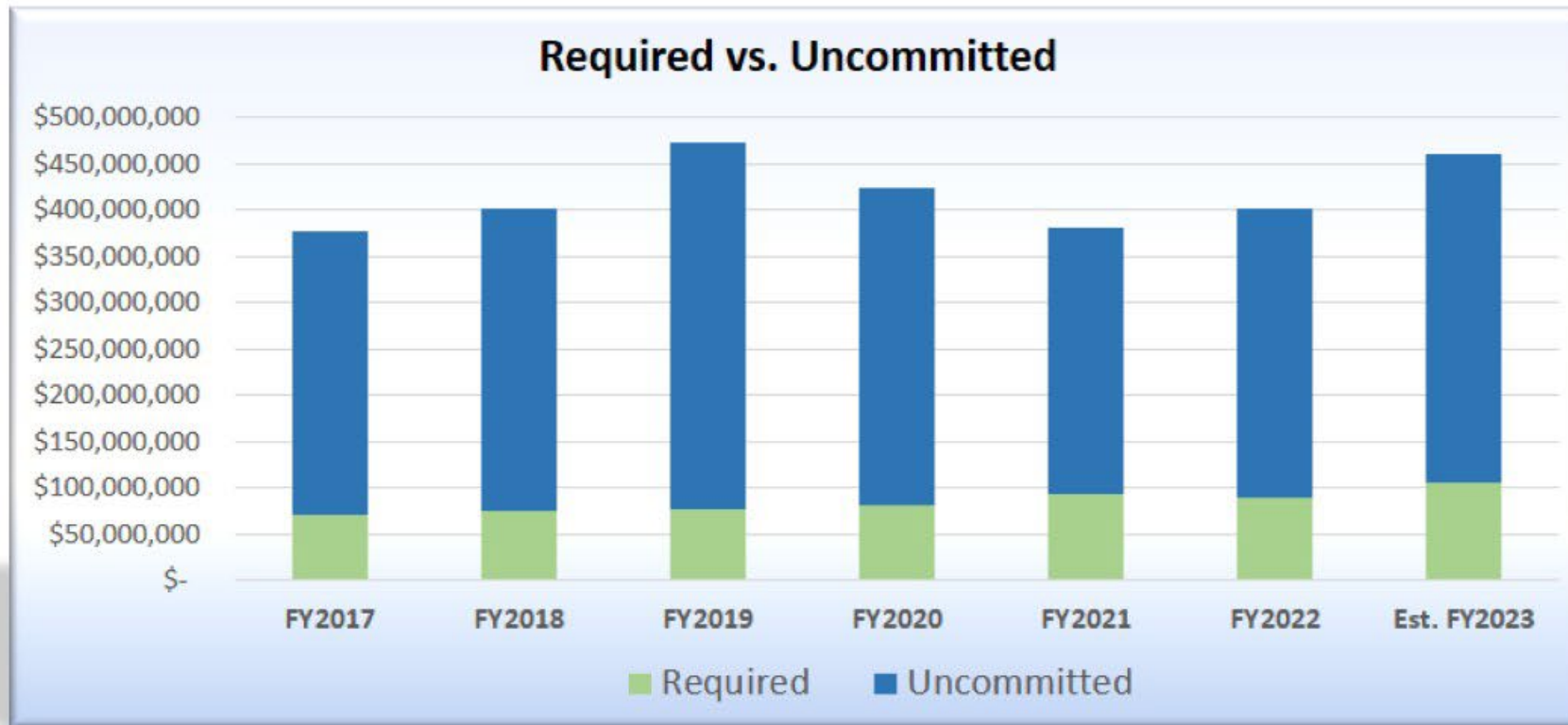
- ✓ Program Expansion
- ✓ Student Call Center
- ✓ Basic Needs Services
- ✓ Livable Wage & (Competitive) Market Adjustments to Salaries



# Cash Reserves Philosophy

- Metric weighted for composite financial index (CFI):
- How long can the institution survive without additional net position generated by operating revenue?

<b>Dallas College</b>	<b>5.9</b>
Aggregate Statewide CFI	4.9



# Cash Reserves Philosophy

## Contingency

- Best practice estimated 3% to 5% of annual budgeted revenue
- Set aside annually, no specific purpose
- Cover unexpected costs or revenue decreases within a budget year

## Reserve

- Accumulation of unrestricted funds
- Dallas College policy: minimum of two (2) months of operating revenue
- Reserves should address four major areas:
  - **Operating:** Mission-related risks, temporary changes in setting or circumstances
  - **Maintenance:** Facilities and infrastructure
  - **Capital Improvements:** Self-funding
  - **Equipment:** Bridge funding for equipment refresh plans (instructional equipment, classroom furnishings, IT network infrastructure, etc.)



# Cash Reserves Philosophy

## Committed

- Amount determined per policy
- Restricted Central Reserve, Primary
- Formal written commitment including cost share requirements, purchase orders, debt payments

## Dedicated

- Clear, focused purpose for facilities and administrative initiatives
- Identify leadership making the dedication
- Examples include new program development, renewal of facilities

## Discretionary

- Remaining reserve after committed and dedicated funds



# Cash Reserves: FY2023-24 Proposed Use <Dedicated>

New & Expanded Programming		
BS, Nursing	\$	2,000,000
BAT, ETMS		2,000,000
Cybersecurity		2,000,000
Air Frame Maint. Tech, MIT		2,000,000
Innovation		2,000,000
Strategic Funding		2,000,000
Technology		
Campus Refresh		5,300,000
Wi-Fi Refresh		43,000,000
Facilities		
Deferred Maintenance, FIP		20,000,000
Campus Furniture Refresh, CVC/MVC		5,300,000
Safety & Security: Access Control, NLC		4,000,000
<b>TOTAL</b>		<b>89,600,000</b>



# Cash Reserves Philosophy

Cash, Cash Equivalents, Investments

As of 8/31/2023 Estimate

\$461.0M

Less (**COMMITTED**): Required Cash Reserves & Carry Forwards (\$105.0M)

Less (**DEDICATED**): FY 2024 Facilities & Administrative Initiatives (\$89.6M)

**DISCRETIONARY** Cash Reserves

**\$266.4**

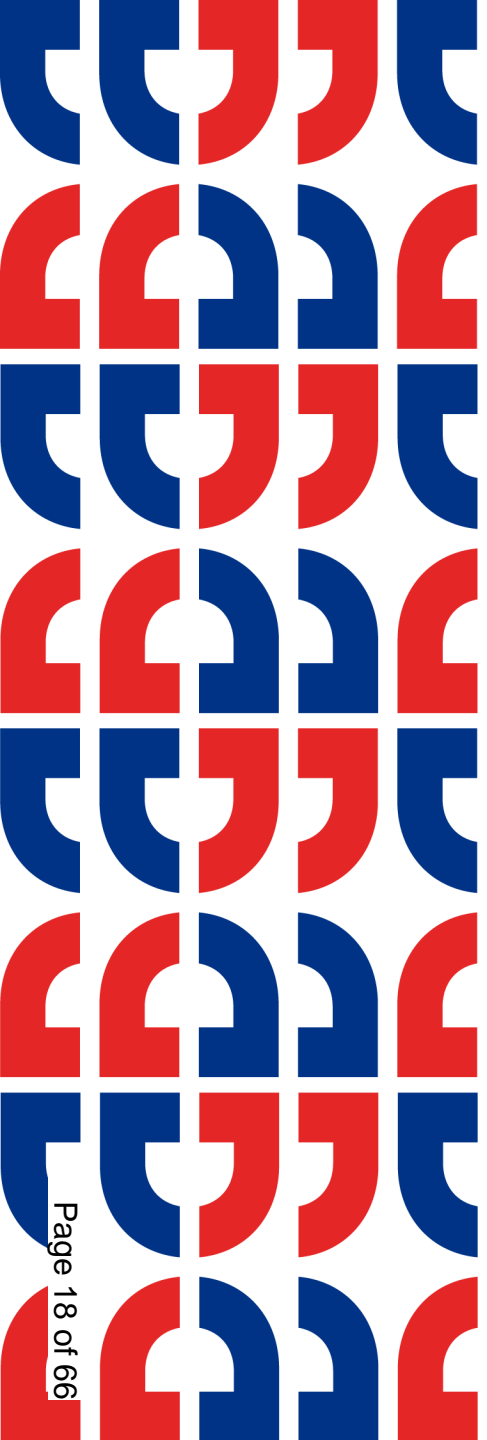
Estimated # of Months of Discretionary Cash Reserves

5.6





# Discussion



# **HB8: Performance Based Funding Overview**

**Finance Committee Presentation – August 8, 2023**

- Tiska Thomas – Finance Office
- John Robertson – Finance Office
- Shawnda Floyd – Academics
- Terry Di Paolo – Academics
- Beatriz Joseph – Student Success
- Pyeper Wilkins – Workforce and Advancement
- Brad Williams – Operations

# Funding outcomes across the state



## Dallas

FY23

FY24

\$91M

\$97M

Tarrant

FY23

FY24

\$59M

\$64M

Collin

\$45M

\$51M

Houston

\$62M

\$63M

Lone Star

\$83M

\$98M

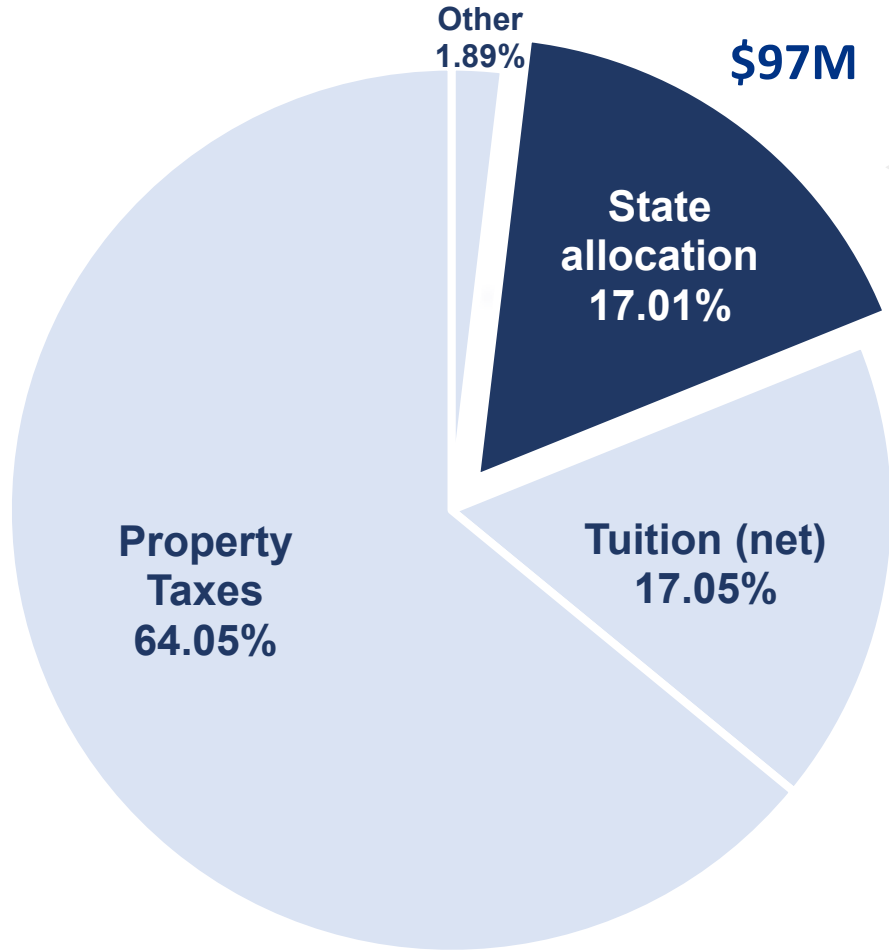
Alamo

\$64M

\$89M

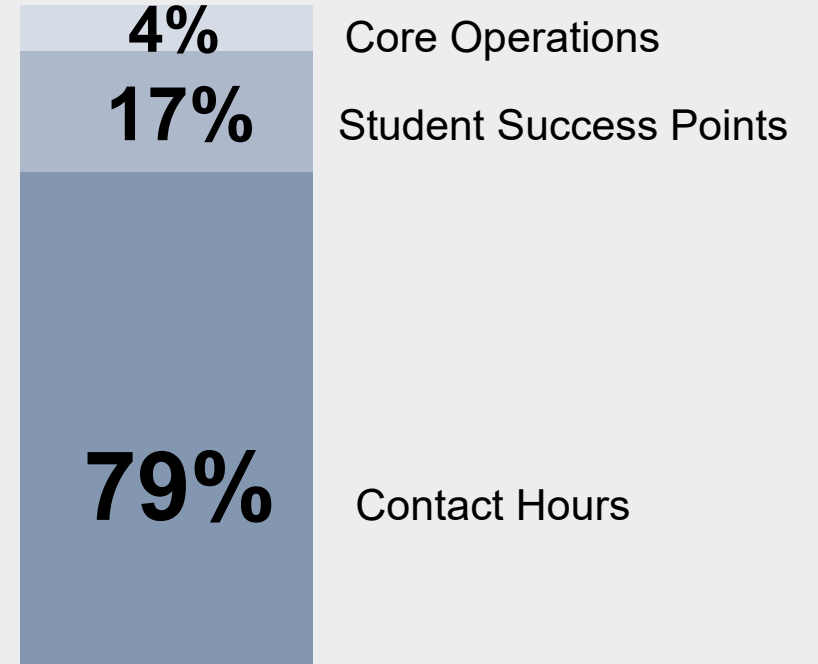


# Overview of Dallas College Revenue



**Dallas College Funding  
For AY2023-24 (FY24)  
Total Approx. \$540 Million**

## “Old World” Calculation of State Allocation



**CE CONTACT HOURS 2022 Q3-4, 2023 Q1-2  
CR CONTACT HOURS SU22, FA22 & SP23**

Total Contact Hours

<b>Dallas College</b>	<b>25 MILLION</b>
Alamo College	18 MILLION

# Why did Alamo get more of a funding boost for FY24 than Dallas College?

**Old-world:** Dallas benefitted from contact hours when it came to state funding

Dallas has biggest volume of contact hours across the state BUT now “contact hours are not a major driver of state funding under the new formula” THECB

**New world:** Dallas and Alamo have similar proportion of credential completers

2022 Graduates as a proportion of FTE  
Dallas = 35%  
Alamo = 40%

## Under-reporting of data – extent and impact

Data for all institutions is based on data colleges across the state submit each year.

Rigorous and explicit methodology for this reporting.

Missing data likely to be limited and unlikely to directly impact alignment of our strategy with outcomes



# HB8: New performance funding

## What's changed for us?

Moving from enrollment (contact hours) to completion (student outcomes).

## What's not changed for us?

The proportion of Dallas College revenue comprising state funding. Increase of 6% between AY22-23(FY23) and AY23-24(FY24).

## Two tiers of funding

### Base Tier Funding

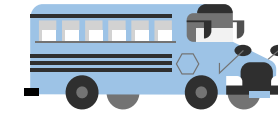
- Dallas College will **NOT** receive Base Tier Funding. Why? Revenue from local taxes and tuition covers basic instruction and operations costs

### Performance tier

- The Performance Tier is the funding level that now constitutes the largest source of state funding for most large community colleges and is comprised of **measurable student outcomes**.

## 3 categories of student outcomes

## \$97M Breakdown

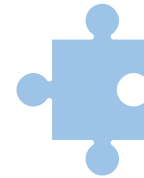


**Dual credit outcomes**

\$7.7M

8%

Proportion of funding



**Transfer outcomes**

\$29.1M

30%



**Completion outcomes**

\$60.1M

62%



# Components of the funding formula

**NOTE: The formula, funding amounts, and definitions remain in draft form until the THECB's Special Board Meeting on August 22, 2023.**

## Outcomes

3 categories, 10 outcomes in total. Focus on the number of times that outcome was achieved by our students.

THECB compared

- outcomes for 2022
- average of outcomes across three-year period ending in 2022

The higher of the two was selected as the “outcome” count.

## Weightings

**Adult learners (aged 25+)** have more weighting (0.5) than

**Academically disadvantaged** (not TSI met) (0.25 weighting)

**Economically disadvantaged** (receiving Pell Grant) (0.25 weighting)

Colleges receive more funding for **High-Demand Fields (HDF)** compared to **Standard Fields**

**HDF** = List of total 42 academic fields for FY24 based on 25 growth occupations across the state (Texas Workforce Commission data).

# The formula for performance funding



Sum of  
**(Weighted Outcome Completions x Outcome Funding Rate)**

## Weighted Outcome Completions =

Outcome Count + (Weight Counts x Weights)

- **Outcome Count** — The number of times an outcome was achieved by students at an institution, for funding purposes.
- **Weight Count** — The number of times an outcome was achieved by students with a weighted characteristic at an institution.

## Outcome Funding Rates

- Pre-set dollar amounts a college earns for each Weighted Outcome Completion (set by THECB)





# Taking an action-oriented approach...

## Discovery Work

- **Sense making** - Development of communication tools and strategy to create understanding and level setting of outcomes funding for college
- **Validation** - Begin replicating data and outcomes supplied by THECB
- **Rapid Response Team** – Cross operational team focused on specific target action for the college in response to the new approach

## What we're working on

- **Alignment** of career connected learning and academics
- **Faculty stipends** in High Demand Fields
- **Integration into student segmentation work** and research on audience and needs
- **Building data models** that inform budget planning and program strategy



Data



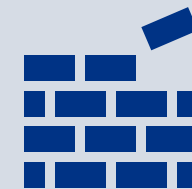
Programs



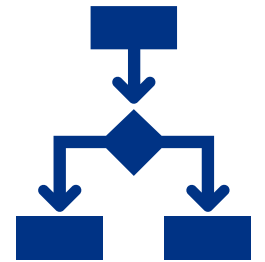
Talent



Finance



Facilities



OUTCOMES



Category	Outcomes	Description	Standard Value	High-Demand Field Value
Dual Credit Outcomes	15 SCH Dual Credit	Students who completed 15 semester credit hours (SCHs) of fundable dual credit or dual enrollment that meets requirements for a degree or workforce credential.	\$1,700	N/A
Transfer Outcomes	GAI Transfer with 15 SCH	Students who earn at least 15 SCHs or equivalent and transfer to a Texas Public University	\$3,500	N/A
	GAI Co-enrollment after 15 SCH	Students who earn at least 15 SCHs or equivalent and were enrolled in a reported, structured co-enrollment program with	\$ 3,500	N/A
Credential Outcomes	Licensure/Certification (no credential)	Certifications administered by a certification body, usually an organization such as a trade association or industry-approved testing entity.	\$ 1,000	\$1,250
	Institutional Credential leading to Licensure	Institutional Credential leading to Licensure	\$1,000	\$ 1,250
	Occupational Skills Award	9-14 semester credit hours for credit courses or 144-359 contact hours for workforce continuing education courses	\$ 750	\$1,000
	Certificate I or II	<b>Level I certificate:</b> awarded for completing a program consisting of at least 15 and no more than 42 semester credit hours <b>Level II certificate:</b> awarded for completing a program of at least 30 but not more than 51 semester credit hours	\$1,750	\$3,500
	Advanced Technical Certificate	16-50 hours and a previously awarded associate degree, a previously awarded bachelor's degree, or junior status toward a baccalaureate, depending on the program	\$1,750	\$3,500
	Associate Degree	Associate Degree	\$ 3,500	\$4,500
	Bachelor's Degree	Bachelor's Degree	\$ 3,500	\$4,500

Category	Outcomes	Dallas Standard	Dallas High-Demand Fields	Alamo Standard	Alamo High-Demand Fields
Dual Credit Outcomes	15 SCH Dual Credit	\$7,716,300	NA	\$6,204,433	NA
Transfer Outcomes	GAI Transfer with 15 SCH	\$29,111,250	NA	\$25,852,458	NA
	GAI Co-enrollment after 15 SCH	\$70,000	NA	\$37,625	NA
Credential Outcomes	Licensure/Certification (no credential)	\$0	\$0	\$0	\$0
	Institutional Credential leading to Licensure	\$209,000	\$369,583	\$0	\$0
	Occupational Skills Award	\$63,750	\$86,000	\$49,500	\$539,000
	Certificate I or II	\$5,093,375	\$10,754,625	\$2,375,771	\$5,705,000
	Advanced Technical Certificate	\$10,938	\$282,333	\$6,563	\$93,625
	Associate Degree	\$34,528,958	\$8,736,000	\$38,243,333	\$9,365,625
	Bachelor's Degree	\$0	\$0	\$0	\$136,125
	<b>Total funds</b>	<b>\$76,803,571</b>	<b>\$20,228,541</b>	<b>\$72,769,683</b>	<b>\$15,839,375</b>




**NEXT UP: A deep dive into each of the 10 outcomes**

**Any questions at this point?**

# Dual Credit 1 of 1: 15 SCH Dual Credit

Institution receives **\$1,700** for every student who completed 15 semester credit hours (SCHs) of fundable dual credit or dual enrollment that meets requirements for a degree or workforce credential.

	Outcome (count of students)	Funding	% of college's Perf. Fund
 Dallas College	4539 (3yr avg)	<b>\$7,716,300</b>	8%
Alamo	3650 (3yr avg)	<b>\$6,204,433</b>	7%

## How was funding calculated:

- Count of students 4539 x \$1,700 = **\$7,716,300**



# Transfer 1 of 2: GAI Transfer with 15 SCH



Institution receives **\$3,500** for every student who earn at least 15 SCHs or equivalent and transfer to a Texas Public University

	Raw Outcome (count of students)	Weighted Outcome Count	Funding	% of college's Perf. Fund
 Dallas College	6314 (3yr avg)	8,318	<b>\$29,111,250</b>	8%
Alamo	5622 (3yr avg)	7,386	<b>\$25,852,458</b>	7%

## How was funding calculated...need to consider weightings

### Step 1: Determine Weightings

- Of the Total 6314 Dallas College students
  - 1022 were **Adult Learners** x Weighting of 0.5 = 511
  - 3881 were **Academically Disadvantaged** Learners x Weighting of 0.25 = 970.25
  - 2089 were **Economically Disadvantaged** Learners x Weighting of 0.25 = 522.25

### Step 2: Sum the weightings and add to Raw Outcome

$$2003.5 + 6314 = 8,317.5$$

(Weighted Outcome Count)

### Step 3: Calculate funding

- Weighted Outcome Count 8,317.5 x \$3,500 = **\$29,111,250**



# Transfer 2 of 2: GAI Co-enrollment after 15 SCH

Institution receives **\$3,500** for every student who earn at least 15 SCHs or equivalent and were enrolled in a reported, structured co-enrollment program.

	Raw Outcome (count of students)	Weighted Outcome Count	Funding	% of college's Perf. Fund
Dallas	9 (2022)	11	<b>\$37,625</b>	0.0%
 Alamo	17 (2022)	20	<b>\$70,000</b>	0.1%

## How was funding calculated...need to consider weightings

### Step 1: Determine Weightings

- Of the Total 9 Dallas College students
  - 0 were **Adult Learners** x Weighting of 0.5 = 0
  - 4 were **Academically Disadvantaged** Learners x Weighting of 0.25 = 1
  - 3 were **Economically Disadvantaged** Learners x Weighting of 0.25 = 0.75

### Step 2: Sum the weightings and add to Raw Outcome

$1.75 + 9 = 10.75$   
(Weighted Outcome Count)

### Step 3: Calculate funding

- Raw Outcome + Sum (Weighted Outcomes) = Weighted Outcome Count 10.75
- $10.75 \times \$3,500 = \$37,625$

# Distinguishing terminology

## Credentials of Value

Credentials of value that provide a positive return on investment within 10 years (on average), such that cumulative earnings will exceed students' initial investments.

## High Demand Fields

- **List of 42 Academic fields based on**
  - 25 occupations across the state
  - Many of those occupations
    - Provide a median wage
    - Require education or training beyond high school but below a bachelor's degree
    - Projected to experience growth in each of the 10 higher education regions across the state
  - Others
    - Feature in the list of top 25 occupations by projected 10-year growth for at least 7 of the 10 higher education regions
    - Feature in the list of top 5 occupations with projected 10-year growth for any the 10 higher education regions



# High Demand Fields @ Dallas College



## School of CAED

- Computer and Information Sciences and Support Services
  - Animation and Visual Design

## School of ETMS

- Computer and Information Sciences and Support Services
- Engineering
- Engineering/Engineering-Related Technologies/Technicians

## School of Ed

- Teacher Education and Professional Development, Specific Levels and Methods

## School of MIT

- Building/Construction Finishing, Management, and Inspection
- Electrical/Electronics Maintenance and Repair Technologies/Technicians
- Heating, Air Conditioning, Ventilation and Refrigeration Maintenance Technology/Technician (HAC, HACR, HVAC, HVACR)
- Heavy/Industrial Equipment Maintenance Technologies/Technicians2
- Vehicle Maintenance and Repair Technologies
- Ground Transportation

## School of Health

- Dental Support Services and Allied Professions
- Health and Medical Administrative Services
- Allied Health and Medical Assisting Services
- Allied Health Diagnostic, Intervention, and Treatment Professions
- Clinical/Medical Laboratory Science/Research and Allied Professions
- Ophthalmic and Optometric Support Services and Allied Professions
- Registered Nursing, Nursing Administration, Nursing Research and Clinical Nursing
- Practical Nursing, Vocational Nursing and Nursing Assistants
- Fire Protection

## School of BGGT

- Accounting and Related Services

## School of LPS

- Human Development, Family Studies, and Related Services
- Legal Support Services

# High Demand Fields - Not currently offered

## School of ETMS

- Mathematics and Statistics
- Physical Sciences
- Biological and Physical Sciences
- Physical Science Technologies/Technicians

## School of Ed and School of CAED

- Bilingual, Multilingual, and Multicultural Education
- Teaching English or French as a Second or Foreign Language

## School of MIT

- Agricultural Mechanization
- Environmental/Natural Resources Management and Policy
- Energy Systems Maintenance and Repair Technologies/Technicians
- Nuclear and Industrial Radiologic Technologies/Technicians

## School of Health

- Communication Disorders Sciences and Services
- Rehabilitation and Therapeutic Professions
- Health Aides/Attendants/Orderlies
- Medical Illustration and Informatics
- Dietetics and Clinical Nutrition Services
- Health Professions Education, Ethics, and Humanities
- Alternative and Complementary Medicine and Medical Systems
- Alternative and Complementary Medical Support Services

## School of BGGT

- Agricultural Business Management

## School of LPS

- Non-Professional Legal Studies

Programs assigned to Schools to explore opportunity



# Credential 1 of 7: Licensure/Certification (no credential)




Institution receives **\$1,000** for every student who complete a standard certification administered by a certification body, usually an organization such as a trade association or industry-approved testing entity and **\$1,250** for every student who complete a certification in a high-demand field

	Standard	Funding	% of college's Perf. Fund	High Demand	Funding	% of college's Perf. Fund
Dallas	0 (2022)	\$0	0.0%	0 (2022)	\$0	0.0%
Alamo	0 (2022)	\$0	0.0%	0 (2022)	\$0	0.0%



# Credential 2 of 7: Institutional Credential leading to Licensure

Institution receives **\$1,000** for every student who complete an institutional certificate leading to a credential and **\$1,250** for every student who completes a similar credential in a high-demand field

	Standard	Funding	% of college's Perf. Fund	High Demand	Funding	% of college's Perf. Fund
 <b>Dallas</b>	209 (3 yr avg)	<b>\$209,000</b>	0.2%	296 (3 yr avg)	<b>\$369,583</b>	0.4%
<b>Alamo</b>	0 (2022)	<b>\$0</b>	0.0%	0 (2022)	<b>\$0</b>	0.0%


## How was funding calculated:

- Count of students completing standard credential 209 x \$1,000 = **\$209,000**
- Count of students completing credential in high-demand field 296 x \$1,250= **\$369,583**



# Credential 3 of 7: Occupational Skills Award

Institution receives **\$750** for every student who complete an institutional certificate leading to a credential and **\$1,000** for every student who completes a similar credential in a high-demand field. These credentials comprise 9-14 semester credit hours for credit courses or 144-359 contact hours for workforce continuing education courses

	Standard	Funding	% of college's Perf. Fund	High Demand	Funding	% of college's Perf. Fund
 <b>Dallas</b>	85 (2022)	<b>\$63,750</b>	0.1%	86 (2022)	<b>\$86,000</b>	0.1%
<b>Alamo</b>	66 (2022)	<b>\$ 49,500</b>	0.1%	539 (2022)	<b>\$539,000</b>	0.6%

### How was funding calculated:

- Count of students completing standard credential 85 x \$750 = **\$63,750**
- Count of students completing credential in high-demand field 86 x \$1,000 = **\$86,000**



# Credential 4 of 7: Certificates 1 and 2

Level I certificate: awarded for completing a program consisting of at least 15 and no more than 42 semester credit hours

Level II certificate: awarded for completing a program of at least 30 but not more than 51 semester credit hours

Institution receives **\$1,750** for every student who complete an institutional certificate leading to a credential and **\$3,500** for every student who completes a similar credential in a high-demand field

	Standard Raw Outcome	Weighted Outcome	Funding	% of college's Perf. Fund	High Demand	Weighted outcome	Funding	% of college's Perf. Fund
Dallas	1939 (2022)	2,911	<b>\$5,093,375</b>	5.3%	2144 (2022)	3,073	<b>\$10,754,625</b>	11.1%
Alamo	870 (3-yr avg)	1,358	<b>\$2,375,771</b>	2.7%	1105 (2022)	1,630	<b>\$5,705,000</b>	6.4%

## How was funding calculated...need to consider weightings

	Standard	High Demand
Adult Learners (Weighting of 0.5)	937	636
Academically Disadvantaged Learners (Weighting of 0.25)	1,249	2,144
Economically Disadvantaged Learners (Weighting of 0.25)	763	1,377

# Credential 5 of 7: Advanced Technical Certificate



16-50 hours and a previously awarded associate degree, a previously awarded bachelor's degree, or junior status toward a baccalaureate, depending on the program

Institution receives **\$1,750** for every student who completes credential and **\$3,500** for every student who completes a similar credential in a high-demand field

	Standard Raw Outcome	Weighted Outcome	Funding	% of college's Perf. Fund	High Demand	Weighted outcome	Funding	% of college's Perf. Fund
Dallas	4 (2022)	6	<b>\$ 10,938</b>	0.0%	52 (2022)	81	<b>\$282,333</b>	0.3%
Alamo	2 (2022)	4	<b>\$ 6,563</b>	0.0%	16 (2022)	27	<b>\$93,625</b>	0.1%


## How was funding calculated...need to consider weightings

	Standard	High Demand
Adult Learners (Weighting of 0.5)	3	41
Academically Disadvantaged Learners (Weighting of 0.25)	2	6
Economically Disadvantaged Learners (Weighting of 0.25)	1	12



# Credential 6 of 7: Associate Degrees

Institution receives **\$3,500** for every student who completes credential and **\$4,500** for every student who completes a similar credential in a high-demand field

	Standard Raw Outcome	Weighted Outcome	Funding	% of college's Perf. Fund	High Demand	Weighted outcome	Funding	% of college's Perf. Fund
<b>Dallas</b>	7124 (3yr avg)	9,865	<b>\$34,528,958</b>	35.6%	1312 (3yr avg)	1,941	<b>\$8,736,000</b>	9.0%
 <b>Alamo</b>	7656 (3yr avg)	10,927	<b>\$38,243,333</b>	43.1%	1344 (2022)	2,081	<b>\$9,365,625</b>	10.6%

## How was funding calculated...need to consider weightings


	Dallas		Alamo	
	Standard	High Demand	Standard	High Demand
<b>Adult Learners (Weighting of 0.5)</b>	1,750	695	2,551	774
<b>Academically Disadvantaged Learners (Weighting of 0.25)</b>	3,840	622	3,335	632
<b>Economically Disadvantaged Learners (Weighting of 0.25)</b>	2,519	505	3,497	769





# Credential 7 of 7: Bachelor's Degrees

Institution receives **\$3,500** for every student who completes credential and **\$4,500** for every student who completes a similar credential in a high-demand field

	Standard Raw Outcome	Weighted Outcome	Funding	% of college's Perf. Fund	High Demand	Weighted outcome	Funding	% of college's Perf. Fund
<b>Dallas</b>	0	0	<b>\$0</b>	0%	0	0	<b>\$0</b>	0%
 <b>Alamo</b>	0	0	<b>\$0</b>	0%	20 (2022)	30	<b>\$136,125</b>	0.2%

## How was funding calculated...need to consider weightings

	Dallas		Alamo	
	Standard	High Demand	Standard	High Demand
<b>Adult Learners (Weighting of 0.5)</b>	-	-	-	17
<b>Academically Disadvantaged Learners (Weighting of 0.25)</b>	-	-	-	1
<b>Economically Disadvantaged Learners (Weighting of 0.25)</b>	-	-	-	6

# Takeaways

## 3 categories of student outcomes

### \$97M Breakdown

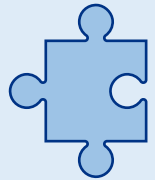


Dual credit outcomes

\$7.7M

Proportion of funding

8%



Transfer outcomes

\$29.1M

30%



Completion outcomes

\$60.1M

62%

Of the  
**\$97M**

Transfer with 15 SCH

**\$29.1M**

Level 1 and 2 Certs

**\$15.7M**

Associates

**\$43.2M**

Standard Fields

**\$76.8M**

High Demand Fields

**\$20.2M**



# Next Steps

## Rapid Response Team focused on Performance Based Outcomes

- Cross-Operational
- Focused on identifying targets and strategy for college
- Monthly updates for Chancellor's Team

## Financial Aid for Swift Transfer (FAST)

Program provides funding to colleges and other public institutions so they can offer dual credit courses to educationally disadvantaged students at no cost to these students. Awaiting more details on formula from the state.

## Performance Based Outcomes: Operational Taskforces

Example: Academics Taskforce

1. Develop communication strategy for faculty and staff
2. Task schools and curriculum teams with action and responsibilities
3. Respond to Rapid Response Team requests





**THANK YOU**



# Rewarding Excellence: Unveiling the Human Resources Compensation Plan for 2023-24

August 8, 2023

## **Presenters:**

Louis Burrell, Acting Chief Human Resources Officer

Brad Williams, Vice Chancellor of Operations

## **Finance Committee**



# Executive Summary

- Update Executive Performance Incentive Compensation Plan
- Review Upcoming Compensation Items
- Recommended Policy Changes
  - Relocation (New)



# Executive Performance Incentive Compensation Plan

The Executive Performance Incentive Compensation Plan for Dallas College Presidents and Executive Administrators Officers (Incentive Plan) is modeled after the Chancellor's compensation package. The plan is designed to provide better alignment with the college's key initiatives and the annual performance review process. Linking over performance with consideration of an incentive reward that is based on predetermined performance goals established by the Chancellor.

The framework for this plan is effective September 1, 2023, is and shall be as follows:

- Links directly to the strategic initiatives of Dallas College and in support of the Chancellor 2030 vision by setting performance objectives aligned with attainment in focus areas.
- Incentivizes and recognizes high performing executives through achievement of established goals and linking behavior and outcomes.
- Fosters a culture of accountability and performance that serves to establishing Dallas College as a Best Place to Work.
- Recognizes the contributions of key executive leaders that are vital to Dallas College's success by placing a significant focus on achieving specific goals.





# Pilot Executive Performance Incentive Compensation Plan Design 2023-2024

- A pool of funds for payment of incentive awards under the Incentive Plan shall be considered and approved as part of the annual budget established for each fiscal year by the Board of Trustees.
- Performance goals will be finalized annually no later than August 31 of each fiscal year.
- Evaluation period will be from September 1 through August 31 of each fiscal year.
- Performance goals will be established annually with final approval by the Chancellor or his designee.
- Each participant shall have both systemwide goals (shared) and individual goals that focus on the strategic priorities of the college tailored to the specific role of the participant.

## Draft 2023-2024 Leadership Goals

Shared Goals (70%)	KPIs
Goal 1	
Goal 2	

Individual Goals (30%)	KPIs
Goal 1	
Goal 2	
Goal 3	

L2 and L3 goal setting to be completed by August to ensure final approval in September

### Shared Goals (70%)

Goal 1: Employee Success

Goal 2: Intuitional Effectiveness





# Executive Performance Incentive Compensation Plan

## Assessing Performance

### Performance Review Process

- Calibration of ratings (Five Point Rating Scale-Goals and Behaviors)\*.
- Primary assessors of performance goal attainment will be the Chancellor (or his or her designee) for all Vice Chancellors, Provost, and Presidents.
- These assessments will be completed for the prior fiscal year, generally in August, in preparation for the Chancellor's review.
- In accordance with the authority delegated to the Chancellor by the Board of Trustees, the Chancellor, in collaboration with the Chief Human Resources Officer, and/or their respective designee will review the evaluation of performance for each Participant, along with the recommendation for incentive payout.
- The Chancellor will annually provide an informative report to the Board of Trustees on the incentive awards made to each Participant, typically at the October regular Board of Trustees meeting.

\*A **360-feedback survey** will be administered by Human Resources to help provide additional feedback on performance and behaviors. The appropriate Vice Chancellor for (L3) direct reports.



# Incentive Award Payout

- Payout timeframe will align with the performance review period for all executive leaders and will be subject to final approval by the Chancellor.
- Incentive awards will be paid in a lump sum and subject to IRS guidelines.
- Calculations of prorated incentive awards, if applicable, will be based on the participants attainment of established goals and assessment of behaviors during the period.
- Payout will occur no later than Sept 31<sup>st</sup> of the calendar year.

## Payment of Incentive Award upon Termination of Employment

Termination Reason	Forfeit	Prorated	Discretion of the Chancellor
Death		X	
Disability		X	
Retirement		X	
Resigned			X
Termination			X



# Year 1 Target Incentive Plan Design Pilot Hybrid Model

## Executive Team (Administrators)

- Across the Board (ATB) Payout (2%) at normal new Academic calendar year (Sept 1)
  - Must be eligible for payout base on compensation study (under market)
  - Individual over market will not receive a base increase, will be eligible for incentive program
- Incentive Compensation based on performance rating (3% target-base pay)
  - Payout before Sept 31, 2024 (AY 24-25)

Our goal is to enhance the Executive Incentive plan and introduce merit pay in the coming years based on the learning from this pilot.

Across The Board (ATB) projected to be 2%-5%



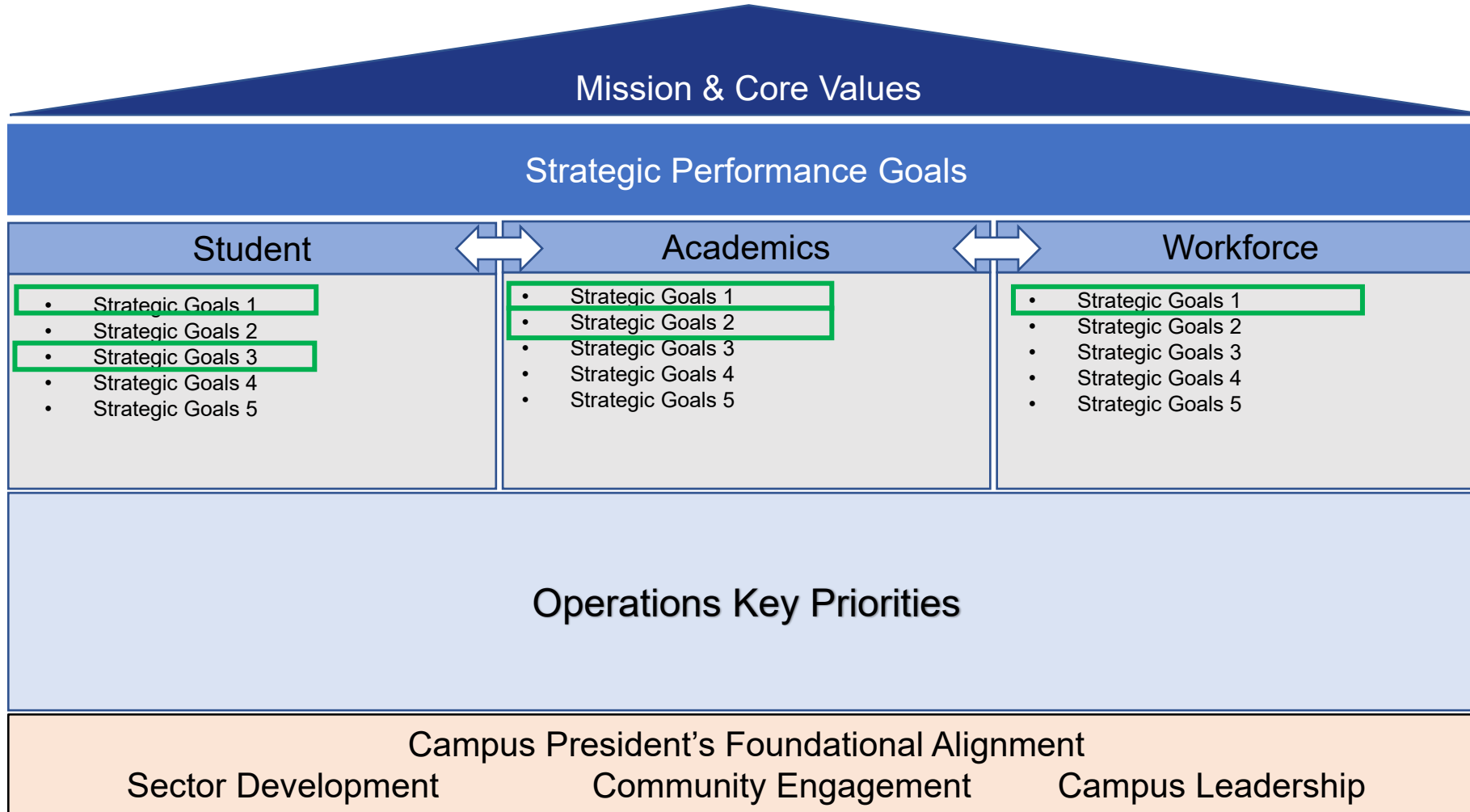


# Shared Performance Goals:

1. **Employee Success:** We will improve our employee experience, engagement, and promote our values.
  1. Develop leaders at every level
  2. Improve operation efficiencies via process improvement
  3. Promote an equitable and inclusive culture that develops high performing teams
  
2. **Ensure Institutional Effectiveness:** Continuously improve our student, employee, financial, technological, physical and other capabilities with a focus on effectiveness, efficiency, flexibility, agility, and quality.
  1. We will improve our student and employee experience
  2. Our teams will drive robust space and digital footprint planning
  3. We will integrate updated technology and automate where possible



# Dallas College Strategic Alignment Framework FY/Academic Year 2024



# Compensation Update



## Upcoming Compensation Items

### Pending Action Items:

#### September 1, 2023

- New Livable Wage Increase (\$18.24 per hour) –
  - Adjustment applied prior to ATB, as applicable (approximately 88 full-time employees; approximately 309 part-time employees, including full-time with additional part-time positions).
    - **Total Employee:** 397      **Approximate Cost:** \$856,629
- 5% ATB Increase –
  - Full-time Staff
    - **Total Employees:** 2153      **Approximate Cost:** \$6.9M
  - Part-time Staff (excluding Work Study)
    - **Total Employees:** 681      **Approximate Cost:** \$792K
  - Full-time Administrators (E01-E11)
    - **Total Employees:** 304      **Approximate Cost:** \$1.6M
- Proposed Increase @ 5% based on total average salaries = \$3,682)
  - Faculty:
    - **Total Employees:** 864      **Approximate Cost:** \$3.2M
- Adjunct Professor rate increase from \$58 to \$65
  - **Total Employees:** 3200      **Approximate Cost:** \$958K
  - \*Collin \$66, Tarrant \$66, Austin \$77
- 2% ATB Increase –
  - Full-time Administrators (A91/95) – Based on eligibility
    - **Total Employees:** 7      **Approximate Cost:** \$30,458
- **Total Estimated cost \$14.3M**

#### September 1, 2023

- Compensation Study – Will be finalized by Segal

#### September/October 2023

- Dallas College will review compensation data and develop go forward plan.

#### October/November 2023

- Critical Positions Review and Adjustments, as applicable.
  - Hard to fill (i.e., nursing, construction technology and mechatronic faculty), requires further discussion.
  - Technical/Special Skills (Staff roles)



# Policy Recommendation

## **Relocation Allowance (New) –**

- To enhance the ability to recruit during labor market shortages, Dallas College may provide a relocation allowance to applicants who apply and are subsequently hired into certain full-time positions.
- A relocation allowance may be paid to an eligible individual who resides more than fifty (50) miles from the Main Administrative Office of the College, in connection with the necessary moving/relocation to the Dallas, Texas area.
- Proposed Amount:
  - All Eligible Full-time Employees – Up to \$10,000

Relocation amount subject to repayment to Dallas College if employee voluntarily resigns within the contractual period (administrator/faculty) or within a twelve (12) month period (staff).

Note: TCC – Cabinet level employees & Vice Presidents - \$7,500 - \$10,000. Recently added relocation reimbursement for certain hard to fill positions up to \$5,000.





# Compensation Implementation Phases

# QUESTIONS







# Appendix





# Performance Rating Scale

Previous 4-Point Scale		
Rating	Label	Definition
4	Consistently Exceeds Expectations	Consistently and frequently surpasses job performance and behavioral competency standards and sets a new standard. Continued development is encouraged.
3	Consistently Meets Expectations	Consistently meets job performance and behavioral competency standards and sometimes exceeds expectations. Continued development is encouraged.
2	Partially Meets Expectations	Partially meets job performance and behavioral competency standards, and development is strongly encouraged.
1	Does Not Meet Expectations	Consistently below job performance and behavioral competency standards and requires development.

Enhanced 5-Point Scales		
Rating	Label	Definition
5	Far Exceeds Expectations	Consistently performs above all that is required; makes unique contributions and achieves exceptional accomplishments.
4	Exceeds Expectations	Strong, solid performer who consistently meets expectations and often exceeds expectations.
3	Meets Expectations	Strong, solid performer who meets expectations and occasionally exceeds expectations.
2	Partially Meets Expectations	Often meets expectations but needs improvement in some area.
1	Does Not Meet Expectations	Needs significant improvement in some or most areas.

Propose 5-point scale that allows for expanded differentiation of performance





# Leadership Competencies Rating Scale Definitions

The Leadership Behavior rating scale definitions are used for L2s & L3s (Executives and Administrators).

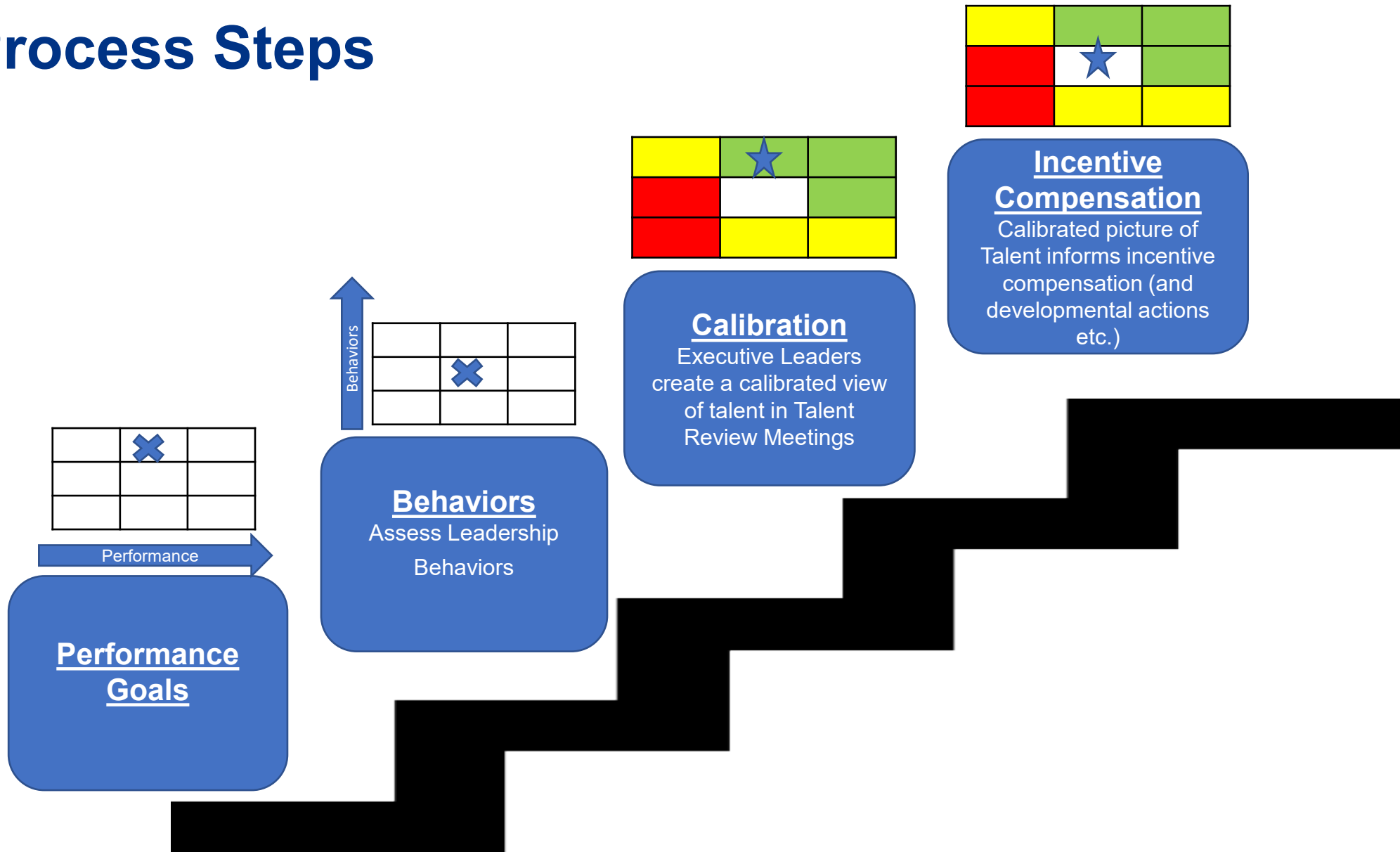
**Note: This is not finalized (for Illustrative Purposes Only); Leadership Competency Workshops are coming.**

Rating Scale		Definition
5	Model Leader	Acts as a role model in demonstrating all attribute elements. Performs far beyond expectations relative to peers on all attribute elements. Actively coaches and teaches employees throughout the organization on all attribute elements.
4	Exceeded Expectations	Performs beyond expectations on the majority of attribute elements relative to peers. Effectively coaches and teaches employees on most attribute elements.
3	Meet Expectations	Clear demonstration of the attribute elements. Actively impacts directs reports on most attribute elements relative to peers.
2	Opportunity for Improvement	Demonstration of some of the attribute elements. Impact on direct reports is inconsistent and needs improvements relative to peers.
1	Did Not Meet Expectations	Minimal personal demonstration of the attribute elements relative to peers. Minimal impact felt by others.

Primary assessors of performance goal attainment will be Chancellor for all his direct reports. A **360-feedback survey** will be administered by Human Resources to help provide additional feedback on performance and behaviors. The appropriate Vice Chancellor for (L3) direct Reports. The Chancellor will review evaluations and make all final recommendations to the board.



# Process Steps





# Pay for Performance Matrix

Performance Ratings	
Performance Description	Rating
Far Exceeds Expectations	5
Exceeds Expectations	4
Meets Expectations	3
Partially Meets Expectations	2
Does Not Meet Expectations	1
Too New to Rate	0

Incentive Comp Metric		
Bonus (L)		Bonus (H)
125%	C	150%
100%	-	125%
75%	E	100%
50%	I	75%
0%	-	0%
0%	-	0%

Year 1 pilot is a hybrid model (ATB %) plus Incentive compensation (% based on performance).



## ITEMS FOR REVIEW NO. 5.1.a.

### Finance Committee Notes for June 6, 2023

The Finance Committee Meeting of the Board of Trustees of Dallas College was held Tuesday, June 6, 2023, beginning at 11:10 a.m. at the administrative office in room 036 and was broadcasted via the streaming link [www.dallascollege.edu/boardmeetingslive](http://www.dallascollege.edu/boardmeetingslive). This meeting was convened by Committee Chair Cliff Boyd.

#### Board Members and Officers Present

- \* Mr. Cliff Boyd (committee chair)
- \* Mrs. Monica Lira Bravo  
Ms. Charletta Rogers Compton  
Ms. Diana Flores
- \* Dr. Catalina E. Garcia  
Dr. Justin H. Lonon (secretary and chancellor)  
Mr. Paul Mayer  
Mr. Philip J. Ritter

\* *Denotes a committee member*

#### Members Absent

None.

1. **Roll Call - Announcement of a Quorum** confirmed by Committee Chair Boyd.
2. **Certification of Notice Posted for the Meeting** confirmed by Chancellor Lonon.
3. **Citizens Desiring to Address the Board**  
There were no citizens desiring to address the Board.
4. **Committee Presentations**
  - 4.1. Project Delivery Models  
Presenters: Rob Wendland, Christine Ryan & Yukiko Kojima  
(Nossaman LLP)

Rob Wendland, along with Christine Ryan and Yukiko Kojima of Nossaman LLP, presented Project Delivery Models, including Public Private Partnerships (P3).

Nossaman LLP is a law firm that works with companies on planning large projects, such as the Downtown project. Dallas College issued a Request for Information (RFI) for the Downtown project that included questions about alternative delivery methods and commitment to MWBE. Seventeen companies submitted a response.

On large complex projects, companies face key legal challenges, such as project funding, public and internal support, and relationships with stakeholders. It is beneficial to have dedicated internal staff, such as a project champion, who would ensure that the project moves forward and resolves issues as they arise.

Companies select the delivery model that best meets their needs and provides best value for the money. Companies typically engage a financial advisor with experience in developing financial models for large complex projects to guide the delivery model selection. Delivery models include:

- Inputs – project characteristics, market feedback, owner priorities
- Options – traditional, conventional, public private partnerships (P3)
- Screening – value for money analysis
- Outputs – contract terms, competition structure.

The traditional delivery model - Design/Bid/Build - gives the owner total control over the project yet has the longest delivery time. Alternative delivery models are utilized for complex projects or when specific goals need to be addressed. Alternative delivery models include:

- Construction Manager at Risk – Owner hires both designer and construction manager, includes pricing negotiations. The owner handles operations and maintenance issues.
- Progressive or Fixed Price/Design/Build – Owner hires a single entity to provide both the design and construction. The owner handles operations and maintenance issues.
- Fixed Price/Design/Build/Operate/Maintain – Owner hires a single entity to provide both the design and construction, along with operations and maintenance of project. The contractor handles all operations and maintenance issues. (Ex: Texas Department of Transportation roadway projects where the private sector designs and builds and a contractor handles operations and maintenance.)

Project agreements would include the owner’s goals and priorities for the project, along with company specifications for technical and performance requirements, such as fair inclusion of minority contractors.

The final model is Public Private Partnerships (P3) which includes design, construction, operations, maintenance, and project finance. The risk transfers from the public owner to the private sector. P3 projects capture private sector innovation, accelerated technical and financial feasibility, and have a greater budget certainty. There are two kinds of P3 methods:

- Hard-Bid – Bidders give a firm fixed price for the entire length of the long-term project.
- Progressive P3 – Private sector is brought in early in the project and assists with developing program/elements. Owners issue a request for qualifications which may include a development plan, financial capability, financial plan, and technical approach.

The University of California – Merced campus project utilized the P3 design, build, finance, operate, and maintain model. This project doubled the campus space by delivering campus housing, academic facilities, student life facilities, and competition fields in



three phases over the course of four years to meet enrollment growth. The \$1.3 billion project terms were designated for 35 years after construction and included long-term operations and maintenance of the facility. This allowed the university to maintain curriculum and student services while the building and maintenance was handled by the contractor. The university also specified in their agreement that 30 percent of the work be awarded to local small businesses of which three percent of the work be awarded to disabled veteran owned businesses. The overall project was completed on time and on budget in the summer of 2020.

The overall takeaways of the benefits of the P3 model include:

- Reduce risks regarding design and construction.
- Improve cost, schedule, and funding certainty.
- Reduce initial investment.
- Improve life cycle cost efficiency.
- Improve maintenance performance.
- P3 projects are held to a higher standard.

In turn, some things to consider about the P3 model include long-term relationships, funding commitments, necessary foresight, and upfront investment.

Trustee Ritter asked about the timeline for the Downtown project. Rob Wendland responded that Dallas College is in the initial planning stages.

Trustee Boyd stressed the importance of having flexibility in planning to meet the needs of our community.

Trustee Ritter asked about the external financing brought in by University of California. Yukiko Kojima suggested working with a financial advisor experienced in this type of delivery model so that the college could leverage funds. Rob Wendland recommended seeking the advice of an experienced financial advisor.

Trustee Ritter asked for additional case studies.

Trustee Compton asked for consideration of the board involvement throughout the planning process.

**5. Items for Review**

5.1. Committee Notes

a. Finance Committee Notes for May 2, 2023

No comments or edits were made.

**6. Executive Session** began at 12:34 p.m. and returned at 1:55 p.m.

**7. Adjournment** at 1:57 p.m.

*Captioned video and transcripts for Dallas College Board Meetings are available at our website, [www.dallascollege.edu/boardmeetingslive](http://www.dallascollege.edu/boardmeetingslive), under the Archived Videos section.*